

Argentina

Exchange rate: U.S.\$1.00 equals 2.87 pesos.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1904 to 1958 (various laws on special categories), 1944 (commerce), 1946 (industry), and 1954 (rural workers).

Current law: 1993, implemented in 1994.

Type of program: Social insurance and individual account system.

Note: Beginning in 1994, the insured, including new entrants, can opt to direct part of the contribution to an individual account or to remain only in the social insurance system.

Coverage

Social insurance and individual account: Employed and self-employed persons, except for military personnel and security forces, police personnel, and persons younger than age 18.

Social assistance: The needy elderly and disabled.

Source of Funds

Insured person: 11% of earnings if opting for social insurance only; 7% of earnings, plus an additional amount for disability and survivor insurance and administrative fees, if opting into the individual account system; the self-employed contribute 27% of earnings.

Employer: 17% to 21% of payroll (according to the type of enterprise) for social insurance only.

The employer contributions also help finance family allowances and unemployment benefits.

Government: Contributes to the social insurance system through general revenue, investment income, and certain earmarked taxes. The cost of social assistance pensions.

The maximum earnings for contribution purposes are 60 times the MOPRE (Módulo Previsional). The MOPRE is an indexed figure determined once a year. The value of the MOPRE is 80 pesos in 2003.

Qualifying Conditions

Social insurance

Old-age pension (basic universal): Age 65 (men) or age 60 (women) with at least 30 years of contributions and service, up to a maximum of 45 years.

Deferred pension: The insured may substitute 2 years of age after the retirement age for 1 year of contributions.

The retirement age and contribution and employment requirements are reduced by up to 10 years for hazardous or unhealthy occupations.

Compensatory pension: Age 65 (men) or age 60 (women) with at least 30 years of contributions and service, up to a maximum of 45 years. The benefit is paid if the insured has credited contributions for the period before June 1994.

In addition to the above, the following qualifying conditions apply if the insured opts to remain only in the social insurance system.

Additional pension: Age 65 (men) or age 60 (women) with at least 30 years of contributions and service, up to a maximum of 45 years. The additional pension is paid if the insured is credited with contributions since June 1994.

Advanced age benefit: Age 70 (men and women) and has at least 10 years of service with contributions paid as either employed or self-employed, including 5 of the last 8 years before leaving employment. The self-employed must have been insured for at least 5 years.

Disability pension: The loss of at least 66% of earning capacity, younger than the ordinary retirement age, and not receiving early retirement benefits. The insured has paid contributions on a regular or nonregular basis and meets the qualifying conditions.

Survivor pension: The insured must have paid contributions on a regular or nonregular basis and met the qualifying conditions.

Eligible survivors include a widow(er) or partner; an unmarried child younger than age 18 who is not receiving benefits; a daughter who is a widow and younger than age 18 who is not receiving benefits; a disabled child (regardless of age) who was dependent on the insured.

Social insurance and individual account

Old-age basic universal pension (social insurance): Age 65 (men) or age 60 (women) with at least 30 years of contributions and service, up to a maximum of 45 years.

Deferred pension: The insured may substitute 2 years of age after the retirement age for 1 year of contributions.

The retirement age and contribution and employment requirements are reduced by up to 10 years for hazardous or unhealthy occupations.

Compensatory pension (social insurance): Age 65 (men) or age 60 (women) with at least 30 years of contributions and service, up to a maximum of 45 years. The benefit is paid if the insured has credited contributions for the period before June 1994.

Old-age pension (individual account): Age 65 (men) or age 60 (women).

Disability pension (individual account): The loss of at least 66% of earning capacity, younger than the ordinary retirement age, and not receiving early retirement benefits. The insured has paid contributions on a regular or nonregular basis and meets the qualifying conditions.

Survivor pension (individual account): The insured must have paid contributions on a regular or nonregular basis and met the qualifying conditions.

Social assistance: Indigent residents and aged 70 or older or disabled.

Old-Age Benefits

Social insurance

Old-age basic universal pension: 2.5 MOPREs, plus 1% of average earnings for every year of contributions exceeding 30 years, up to a maximum of 45 years.

The value of the MOPRE is 80 pesos in 2003.

Deferred pension: The base pension is increased in proportion to the additional years of contributions.

Compensatory pension: 1.5% of the insured's average monthly salary during the last 10 years or average updated amounts for all periods with contributions paid before July 1994, up to a maximum of 35 years for the self-employed.

In addition to the above, the following benefits are paid if the insured opts to remain only in the social insurance system.

Additional pension: 0.85% of the insured's average monthly salary during the last 10 years or average updated amounts for all periods with contributions paid after July 1994, up to a maximum of 35 years for the self-employed.

Advanced age benefit: A monthly fixed amount.

Social insurance and individual account

Old-age basic universal pension (social insurance): 2.5 MOPREs, plus 1% of average earnings for every year of contributions exceeding 30 years, up to a maximum of 45 years.

The value of the MOPRE is 80 pesos in 2003.

Deferred pension: The base pension is increased in proportion to the additional years of contributions.

Compensatory pension (social insurance): 1.5% of the insured's average monthly salary during the last 10 years or average updated amounts for all periods with contributions paid before July 1994, up to a maximum of 35 years for the self-employed.

Old-age pension (individual account): The pension depends on the insured's contributions plus accrued interest. The pension is payable as an annuity or as programmed withdrawals.

Social assistance: A monthly fixed amount.

Permanent Disability Benefits

Disability pension (social insurance and individual account): 70% of average salary (regular contributor) or 50% of average salary (nonregular contributor) during the 5 years prior to the onset of disability.

Disability pension (social assistance): A monthly fixed amount (increments may be paid for dependents under Family Allowances).

Survivor Benefits

Survivor pension (social insurance and individual account)

Survivor pension (the deceased was a pensioner): 70% of the insured's pension is payable to a widow(er) or partner without dependents; 50% to a widow(er) or partner with children; 20% for each eligible child.

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

Survivor pension (the deceased was actively insured): 70% of average earnings (regular contributor) or 50% of average earnings (nonregular contributor) in the last 5 years. The pension is payable to a widow(er) or partner without dependents; 50% to a widow(er) or partner with children; 20% for each eligible child.

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

Funeral grant: A lump sum equal to 3 months' minimum wage.

Administrative Organization

National Social Security Administration (ANSES) provides supervision and administers the social insurance program.

Superintendent of Pension Fund Management Companies (SAFJP) provides general supervision of the pension funds.

Pension fund management companies (AFJPs) administer the pension funds and benefits.

Ministry of Social Development and Environment administers the social assistance pension program.

Sickness and Maternity

Regulatory Framework

First laws: 1934 (maternity) and 1944 (sickness).

Current laws: 1996 (maternity), 1988 (sickness), and 1988 (medical benefits).

Type of program: Social insurance (medical benefits), employer-liability (cash sickness benefits), and employment-related system (maternity benefits).

Coverage

Cash sickness benefits: No statutory benefits are provided. (Under employment law, the employer must pay monthly cash sickness benefits to employees.)

Cash maternity benefits: Employed women, except domestic servants.

Medical benefits: Employed persons and pensioners, except the military police, provincial and municipal public-sector employees, and beneficiaries of noncontributory or social assistance benefits.

Source of Funds

Cash maternity benefits

Insured person: None.

Employer: See source of funds under Family Allowances, below. (The average employer contribution is 4.7% of payroll.)

Government: See source of funds under Family Allowances, below.

Medical benefits

Insured person: 6% of earnings, plus 1.5% of earnings for each covered dependent besides the spouse or children. Pensioners contribute between 3% and 6% of the pension.

Employer: The average contribution is 7.2% of payroll.

Government: Subsidizes coverage of persons who would not otherwise qualify.

Qualifying Conditions

Cash sickness benefits: No statutory benefits are provided. (Under employment law, the employer must pay monthly cash sickness benefits to employees. The duration of benefits depends on the length of the employment period.)

Cash maternity benefits: At least 3 months' continuous employment before the expected date of childbirth.

Medical benefits: Currently employed or a pensioner.

Sickness and Maternity Benefits

Sickness benefit: No statutory benefits are provided. (Under employment law, employers must provide 100% of salary for 3 months to employees with less than 5 years of service; 6 months with more than 5 years of service. The cash benefit is payable for twice as long (6 months or 12 months, respectively) to workers with dependents.)

Maternity benefit: The benefit is equal to 3 months' average gross earnings before the maternity leave period.

Workers' Medical Benefits

Benefits include medical and hospital care included in the PMOEM (Mandatory Emergency Medical Program).

Dependents' Medical Benefits

Eligible dependents include a spouse, single children under age 21 (up to age 25 if a student), children older than age 21 if disabled and dependent on the insured.

Other dependents are eligible only with the payment of additional contributions.

Administrative Organization

Ministry of Health provides general supervision.

Superintendent of Health Services provides control, coordination, and administration of the program.

Work Injury

Regulatory Framework

First law: 1915.

Current law: 1995.

Type of program: Employer-liability system.

The employer may self-insure if solvency requirements are met and medical care services can be guaranteed. In case the employer does not meet both conditions, mandatory insurance must be taken with a work injury insurer (ART).

Coverage

Employed persons in the private and public sectors.

Source of Funds

Insured person: None.

Employer: Total cost, met through a work injury insurer or through self-insurance.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Base earnings are payable monthly starting from the day after the disability arises. The employer pays for the first 10 days, with the remaining period covered by the ART. The benefit is payable until recovery or certification of disability.

The disability is presumed to be permanent if it continues beyond 1 year.

Permanent Disability Benefits

For an assessed degree of disability of 66% or more (provisional total disability), the benefit is 70% of base earnings.

Permanent total disability: The disability benefit plus a lump-sum benefit of 40,000 pesos.

Provisional partial disability: The insured's monthly base earnings multiplied by the assessed degree of disability, plus family allowances.

Permanent partial disability: A lump-sum benefit equal to 53 times the monthly base earnings multiplied by the assessed degree of disability and a coefficient resulting from dividing 65 by the age of the worker at the date of the start of disability; when the assessed degree of disability is 50% or less, the sum cannot be higher than the amount of 180,000 pesos multiplied by the assessed degree of disability. For an assessed degree of disability of more than 50% but less than 66%, the benefit cannot exceed 180,000 pesos. In addition, the insured receives a lump-sum benefit of 30,000 pesos.

Severe disability: The disability benefit plus a lump-sum benefit of 40,000 pesos and a monthly benefit equal to 3 MOPRE paid by the ART.

Workers' Medical Benefits

Benefits include the cost of medical attention, appliances, and pharmaceuticals covered by the ART.

Survivor Benefits

70% of average earnings (regular contributor) or 50% of average earnings (nonregular contributor) in the last 5 years, plus a monthly complementary benefit financed through the ART. The complementary benefit is equal to 53 times the monthly base earnings multiplied by a coefficient resulting from dividing 65 by the age of the worker at the date of the first sign of disability. The amount cannot exceed 180,000 pesos. In addition, eligible survivors receive a lump sum of 55,000 pesos.

The pension is payable to a widow(er) or partner without dependents; 50% to a widow(er) or partner with children; 20% for each eligible child.

Administrative Organization

Superintendent of Work Injury provides general supervision. Work injury insurers are responsible for work injury prevention and the management of benefits.

Unemployment

Regulatory Framework

First and current laws: 1967 (construction workers only) and 1991 (social insurance).

Type of program: Social insurance system.

Coverage

Employed persons under a labor contract and contributing to the National Employment Fund.

Source of Funds

Insured person: None.

Employer: 1.5% of payroll.

Government: Provides subsidies.

Qualifying Conditions

Unemployment benefits: Twelve months of contributions before the date of unemployment. Must be registered and available for suitable employment and not be a recipient of any other social security benefit.

Unemployment Benefits

50% of the insured's best wage in the 6 months before the date of unemployment (not less than 150 pesos and not more than 300 pesos), plus a percentage amount based on the number of months of paid contributions (never less than 150 pesos). The benefit varies from 100% of the calculated amount for the first 4 months to 85% of the same amount for the fifth to the eighth months and to 75% for the ninth to the twelfth months.

In the construction industry, employers must pay a severance indemnity to dismissed employees. From the fifth to the eighth month, the monthly benefit is equal to 85% of the amount paid for the first 4 months.

Administrative Organization

Ministry of Labor and Social Security provides general supervision.

National Social Security Administration administers the program.

Family Allowances

Regulatory Framework

First law: 1957.

Current law: 1996.

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Employed persons in the private sector and beneficiaries of work injury and unemployment programs.

Social assistance: Beneficiaries from the social insurance, individual account, and social assistance programs.

Source of Funds

Social insurance

Insured person: None.

Employer: The average contribution is 4.7% of payroll.

Government: Cost of benefits for pensioners and other recipients of noncontributory benefits.

Social assistance

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Child benefit: A monthly benefit is paid to an employed person or to a beneficiary of the new pension system who qualifies for family allowances or to an ART beneficiary for

every child under age 18. The benefit is paid to one of the parents or to the guardian.

Disabled child benefit: A monthly benefit is paid to an employed person or to a beneficiary of the new pension system who qualifies for family allowances or to an ART beneficiary for every disabled child of any age. The benefit is paid to one of the parents or to the guardian.

Prenatal grant: A monthly benefit is paid to an employed person or to an ART beneficiary from the time of conception to the date of childbirth or end of pregnancy. Current continuous employment for 3 months is required.

School allowance: An annual benefit is paid to an employed person or to a beneficiary of the new pension system who qualifies for family allowances or to an ART beneficiary who qualifies for a child benefit or a disabled child benefit.

Birth grant: A benefit is paid to an employed person or to an ART beneficiary for the birth of a child. The grant is paid to one of the parents or to the guardian. Current continuous employment for 6 months is required.

Adoption grant: A benefit is paid to an employed person or to an ART beneficiary for the adopted child. It is paid to one of the parents or to the adopter. Current continuous employment for 6 months is required.

Marriage grant: A benefit is paid to both spouses if they are employed or are ART beneficiaries who qualify for family allowances. Current continuous employment for 6 months is required.

Spouse benefit: A monthly benefit is paid to a beneficiary of the new pension system for a legal spouse who resides in the country, is totally and permanently disabled, and has no income.

Social assistance pensions: Noncontributory pensions are provided for a number of contingencies.

Family Allowance Benefits

Benefits vary by geographic region.

Child benefit: The monthly benefit is between 40 pesos and 86 pesos.

Disabled child benefit: The monthly benefit is between 160 pesos and 320 pesos.

Prenatal allowance: The allowance is between 40 pesos and 86 pesos.

School allowance: The annual benefit is between 130 pesos and 520 pesos.

Birth grant: 200 pesos.

Adoption grant: 1,200 pesos.

Marriage grant: 300 pesos.

Spouse benefit: The monthly benefit is 30 pesos.

Social assistance pensions: Fixed monthly amounts.

Administrative Organization

Ministry of Labor and Social Security and the Secretariat of Social Security provide general supervision.

National Administration of Social Security (ANSES) administers the program.

Ministry of Social Development and Environment administers the social assistance pension program.