

Paraguay

Exchange rate: U.S.\$1.00 equals 6,250 guarani.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1943.

Current laws: 1950, 1973, and 1992.

Type of program: Social insurance system.

Coverage

Employed persons.

Special systems for railroad employees, bank employees, elected parliamentary representatives, and public-sector employees.

Source of Funds

Insured person: 9% of earnings. Pensioners contribute 5% of pensions.

Employer: 14% of payroll.

Government: 1.5% of earnings.

The minimum earnings for contribution purposes are equal to the minimum wage.

All of the above contributions also finance sickness and maternity benefits and work injury benefits.

Qualifying Conditions

Old-age pension: Age 60 (men and women) with 25 years of contributions or age 55 (men and women) with 30 years of contributions.

Disability pension: The loss of 2/3 of earning capacity with 150 weeks of contributions and under age 55; between 150 weeks and 250 weeks of contributions if under age 60; between 250 weeks and 400 weeks of contributions if under age 65.

Survivor benefit: The insured was a pensioner at the time of death or had 750 weeks of contributions.

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

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

Old-Age Benefits

Old-age pension: 100% of average earnings during the last 3 years or 80% of average earnings during the last 3 years plus 4% for every year over age 55 up to age 59.

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

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

Permanent Disability Benefits

Disability pension: The benefit is equal to 50% of average earnings in the last 3 years, plus 1.5% of average earnings for every 50-week period of contributions beyond 150 weeks up to a maximum of 100%. The benefit calculation is based on the assessed degree of disability (from 70% to 100%) and the number of years of contributions (from 3 years to 20 years).

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

Survivor Benefits

Survivor pension: 60% of the pension paid or payable to the insured. The pension is payable to a widow(er), unmarried children under age 18 (any age if disabled), dependent parents, and a partner if he or she cohabited with the insured for at least 2 years and had children (5 years if there were no children).

The pension is split in half between the spouse and children. A widow(er) or companion under age 40 receives a benefit equal to three times the insured's yearly pension; if the spouse or partner remarries or cohabits with another person, the benefit is equal to two times the insured's yearly pension.

The maximum survivor pension is 250 times the daily minimum wage.

Survivor grant: A lump sum equal to 1 month's minimum wage for every year of contributions.

Funeral grant: 75% of the daily minimum wage.

Administrative Organization

Managed by a tripartite council and a director general, the Social Insurance Institute administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1943.

Current laws: 1950, 1965, 1973, and 1992.

Type of program: Social insurance system. Cash and medical benefits.

Note: This information is from 1999.

Coverage

Employed persons, including domestic servants, teachers in government and private schools, and university professors.

Voluntary coverage for the self-employed.

Pensioners are covered for medical benefits.

Special systems for railroad, banking, and public-sector employees.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors, above. (Pensioners contribute 5% of pensions. Teachers in public schools and university professors contribute 5.5% of earnings.)

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

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

Qualifying Conditions

Cash sickness benefits: Six weeks of contributions in the last 4 months.

Cash maternity benefits: Six weeks of contributions in the last 120 days. (Women cannot receive cash maternity benefits and cash sickness benefits at the same time.)

Medical and maternity benefits: Currently insured.

Sickness and Maternity Benefits

Sickness benefit: 50% of average earnings during the last 4 months. The benefit is payable after a 2-day waiting period for up to 26 weeks; may be extended to 50 weeks in special cases. The benefit is reduced by half during periods of hospitalization if there are no dependents.

Maternity benefit: 50% of earnings, payable for 3 weeks before and 6 weeks after the expected date of childbirth.

Milk vouchers: Milk vouchers are provided for up to 8 months, if the mother is unable to nurse the child.

Workers' Medical Benefits

Medical services are provided directly to patients through the facilities of the Social Insurance Institute. Benefits include general and specialist care, hospitalization, laboratory services, medicines, prosthetics, dental care (with 8 weeks of recent contributions), and maternity care. The duration of benefits is 26 weeks for any one illness; may be extended to 52 weeks in special cases.

Dependents' Medical Benefits

Dependents include a wife, unmarried children under age 16, disabled children, and dependent parents over age 60. Medical services are provided directly to patients through the facilities of the Social Insurance Institute. Benefits include general and specialist care, hospitalization, laboratory services, medicines, prosthetics, dental care (with 8 weeks of recent contributions), and maternity care. The duration of benefits is 26 weeks for any one illness; may be extended to 52 weeks in special cases.

Administrative Organization

Social Insurance Institute administers the program.

Social Insurance Institute operates its own clinics and hospitals.

Work Injury

Regulatory Framework

First law: 1927.

Current laws: 1950, 1973, and 1992.

Type of program: Social insurance system.

Coverage

Employed persons, including domestic servants and teachers in private schools.

Voluntary coverage is possible for the self-employed.

Source of Funds

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

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

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

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

75% of average earnings during the last 4 months or the total contribution period if shorter. The benefit is payable after a 3-day waiting period for up to 50 weeks.

Permanent Disability Benefits

Permanent disability pension: 60% of average earnings during the last 3 years, if totally disabled. If the assessed disability is caused by an occupational illness, the pension varies between 22% and 100% of average earnings during the last 3 years, depending on the length of the contributions period and the assessed degree of disability.

Total disability supplement: 20% of average earnings during the last 3 years, plus 0.5% for every year of coverage beyond 3 years.

Partial disability: If the assessed degree of disability is more than 30%, the pension is equal to 60% of wage loss, according to the schedule in law. If the value of the pension is less than 30% of the total disability pension, the pension is paid as a lump sum equal to 5 years' pension.

Partial disability supplement: The total disability supplement is reduced in proportion to the assessed degree of disability.

Workers' Medical Benefits

Benefits include general and specialist care, hospitalization, medicines, and appliances.

Survivor Benefits

Survivor pension: 40% of the insured's total disability pension, payable to a widow or a dependent disabled widower.

Orphan's pension: 20% of the insured's total disability pension for each child under age 16 (no limit if disabled).

Other eligible survivors (in absence of the above): 20% of the insured's pension for each dependent parent.

Survivor supplement: 75% of the insured's disability supplement is paid to eligible survivors.

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

Funeral grant: The grant varies according to locality.

Administrative Organization

Social Insurance Institute administers contributions and benefits.

Family Allowances

Regulatory Framework

No statutory benefits are provided. (The 1993 labor code requires employers to provide specified maternity benefits and family allowance benefits.)

Note: This information is from 1999.