

## Spain

Exchange rate: U.S.\$1.00 equals 1.12 euros (€).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1919.

**Current law:** 1994.

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

#### Coverage

Employees in industry and services (classified according to 11 occupational classes).

Special systems for agricultural workers and small farmers, domestic servants, self-employed, seamen, and coal miners.

#### Source of Funds

**Insured person:** 4.7% of covered earnings based on wage classes that vary according to 11 occupational classes.

**Employer:** 23.6% of earnings according to 11 occupational classes.

**Government:** Annual subsidy.

Maximum earnings for contribution and benefit purposes are •2,574.90 a month for classes 1 to 7 and a maximum daily base of •85.83 for classes 8 to 11.

#### Qualifying Conditions

**Old-age pension:** Age 65 (lower for difficult, dangerous, or unhealthy work); age 64 if the post of the retiring worker is to be taken by a person registered as unemployed; 15 years of contributions, including 2 years of contributions in last 15 years. Retirement from employment is necessary.

Early pension: Age 61 with 30 years of contributions if involuntarily unemployed and registered as a job seeker for at least 6 months before applying for the pension. Paid at a reduced rate.

Under transitional provisions, entitlement to a reduced pension at age 60 (legislation before January 1, 1967) is also still in effect.

Payable abroad if reciprocity exists.

**Disability pension:** Loss of normal earning capacity. If under age 26, contributed for 1/2 of the time between age 16 and the onset of disability; if over age 26, contributed for 1/4 of the time from age 20 to the onset of disability, with at least 5 years of contributions and at least 1/5 of the required contributions in the last 10 years.

**Widow and widower pension:** Deceased had 500 days of contributions in the last 5 years and died from a common

illness, was a pensioner at the time of death, or had at least 15 years of contributions.

#### Old-Age Benefits

**Old-age pension:** 50% of benefit base for the first 15 years of contributions, plus 3% for each year between 16 and 25 years of contributions, and 2% for each year beginning with the 26th year, up to a maximum of 100%. Since January 1, 2002, the amount may exceed 100% for those who retire at age 66 or later and who have at least 35 years of credited contributions. The value of 2% of the benefit base is added for each deferred year. The benefit amount cannot exceed the maximum public pension benefit in effect.

**Minimum pension:** The minimum pension at age 65 is •385.50 a month; •453.98 with a dependent spouse.

**Early pension:** A reduced pension is payable if under age 65. Early pensions are reduced by 8% for each year less than age 65 for persons who have 30 years of contributions, by 7.5% if 31 to 34 years of contributions, by 7% if 35 to 37 years of contributions, by 6.5% if 38 to 39 years of contributions, by 6% if 40 years or more of contributions. The minimum early pension is •343.87; •406.16 with a dependent spouse.

**Schedule of payments:** There are 14 payments a year.

**Benefit adjustment:** Periodic adjustment of pensions each year according to the anticipated changes in the consumer price index for that year.

#### Permanent Disability Benefits

**Disability pension:** For permanent total (all work) disability, the award is 100% of the benefit base up to maximum earnings for contribution purposes. For permanent total (occupational) disability (100% loss of working capacity in own trade or profession), the award is 55% of the benefit base, plus 20% if aged 55 years or over.

**Permanent total disability (all work):** The minimum award, if age 65, is •385.50 a month; •453.98 with a dependent spouse.

**Permanent total disability (occupational):** The minimum award, if age 65, is •385.50 a month; •453.98 with a dependent spouse.

**Permanent total disability (third-person assistance):** The minimum award is •527.27 a month; •680.97 with a dependent spouse.

If the disability is not caused by a work injury or an occupational disease occurring at age 65 or older, and the person does not meet the old-age pension qualifying conditions, the pension benefit is calculated subject to the assessed degree of disability and 50% of the benefit base.

**Constant-attendance supplement:** 50% of the value of the pension.

**Schedule of payments:** There are 14 monthly payments a year.

**Permanent partial disability:** A lump-sum award equal to the value of 24 times the monthly benefit base for temporary disability that may result in permanent disability.

Schedule of payments: There are 14 payments a year.

Benefit adjustment: Periodic adjustment of pensions each year according to anticipated changes in the consumer price index for that year.

### **Survivor Benefits**

**Widow and widower pension:** 46% of either the survivors' or pensioners' benefit base, whichever is higher; for survivors with income below a government-set level, the benefit is 50% of income (70% of the benefit base with dependents).

A widow(er) or a surviving ex-spouse who remarries is not eligible unless the beneficiary is 61 years or older at the time of remarriage, receives a permanent disability pension (all work or third-person assistance), is at least 65% disabled; the survivor pension represents 75% of the pensioner's total income; or the newly married couple's income does not exceed two times the minimum wage (if the income exceeds this level, the amount of the pension will be decreased proportionately).

Minimum pension: The minimum pension is •274.39 a month for persons younger than 60 years without dependent children; •343.87 with dependents. For survivors aged 60 to 64, •343.87; aged 65, •385.50.

**Orphan's pension:** 20% of the benefit base for each orphan under age 18 if not working (age 22 with one surviving parent; age 24 for a full orphan). If working, annual income must be less than 75% of the minimum wage. The same rules apply to grandchildren and siblings. There is no limit if disabled.

Minimum orphan's pension: The minimum pension is •111.54 a month for each orphan (younger than either age 18 or age 22; age 24 if a full orphan). If there is only one orphan, •385.93 a month; if there are other surviving children, the individual pension is increased by •274.39 and divided by the number of orphans.

Other eligible survivors: Dependent parents; minor or disabled siblings; children or siblings over age 45; single, widowed, separated, or divorced spouses, under certain circumstances. Entitlement is 20% of the appropriate base, which can be increased by 45% of the widow's pension if there is no surviving spouse or eligible surviving children.

Maximum survivor pension: The maximum widow or widower pension and orphan's pension is 100% of the benefit base.

**Funeral grant:** •30.05.

### **Administrative Organization**

Ministry of Labor and Social Affairs provides general supervision.

General Treasury of Social Security administers the economic resources of the social security system.

National Institute of Social Security administers and pays cash benefits.

National Institute of Social Services administers benefits in kind.

## **Sickness and Maternity**

### **Regulatory Framework**

**First laws:** 1929 (maternity) and 1942 (sickness).

**Current law:** 1994.

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

### **Coverage**

Employees in industry, commerce, and services. Pensioners covered for medical benefits.

Special systems for agricultural workers and small farmers, domestic servants, self-employed, seamen, and coal miners.

### **Source of Funds**

**Insured person:** See contributions for Old Age, Disability, and Survivors, above.

**Employer:** See contributions for Old Age, Disability, and Survivors, above.

**Government:** Annual subsidy.

Maximum earnings for contribution and benefit purposes are •2,574.90 a month for classes 1 to 7 and a daily maximum base of •85.83 for classes 8 to 11.

### **Qualifying Conditions**

**Cash sickness benefits:** 180 days of contributions during the last 5 years.

**Cash maternity benefits:** 180 days of contributions during the 5 years prior to childbirth or the official date of the fostering (or the adoption) of the child.

**Medical benefits:** Currently insured, a pensioner or a recipient of periodic social security benefits. There is no minimum qualifying period.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 60% of benefit base payable for the 4th to the 20th day (employer pays from first through the 15th day), thereafter 75% of the benefit base for up to 12 months (may be extended to 18 months; 30 months in special cases).

**Maternity benefit:** 100% of benefit base payable for 16 weeks; 18 weeks for each child in the case of multiple births. If a child under age 6 is adopted or in foster care, payable for 16 weeks (extra 2 weeks for second and subsequent adopted or fostered children). If the mother does not meet the qualifying conditions, benefit is payable to the father for 6 fewer weeks. If both parents are employed, the benefit can be shared between the mother and father and the leave may also be taken on a part-time basis. The timing of the payment period can be adjusted in cases of premature birth and the extended hospitalization of the child.

## Workers' Medical Benefits

Medical services provided to patients directly through facilities of the National Health Institute, the regional autonomous health services, or by contracted doctors and hospitals. Benefits include general and specialist care, hospitalization, medicines, dental care, maternity care, laboratory services, appliances, and transportation. Patient generally pays 40% of the cost for medicines outside hospital. Medicines are free when dispensed by social security facilities or to pensioners. In the case of some specific and chronic listed diseases, the beneficiary pays 10% of the cost up to a maximum of •2.64. When the cost of the prescribed medicine is higher than the reference cost, the beneficiary pays the difference. There is no limit to duration, except in certain cases.

## Dependents' Medical Benefits

Same as for insured persons (except duration may be shorter in certain cases).

## Administrative Organization

Ministry of Labor and Social Affairs and the Ministry of Health and Consumers provide general supervision.

National Institute of Social Security administers and pays cash benefits.

General Treasury of Social Security administers the resources of the social security system.

Ministry of Health and Consumers, through the National Health Institute, operates its own medical centers.

Regional autonomous communities provide benefits through their health services.

## Work Injury

### Regulatory Framework

**First law:** 1900.

**Current law:** 1994.

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

### Coverage

Employed persons. Special systems for some categories.

### Source of Funds

**Insured person:** None.

**Employer:** 0.81% to 16.20% of payroll, according to the assessed risk. The average contribution rate is 1.98%.

**Government:** None.

The maximum earnings for contribution and benefit purposes are •2,574.90 a month.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. As of January 1, 2002, entitlement to a disability pension due to a work injury or an occupational disease has been extended to those who sustained the work injury or who were diagnosed with a professional disease at age 65.

## Temporary Disability Benefits

75% of benefit base. The calculation of the benefit base also includes the extra number of hours worked during the 12 months prior to the work injury. Benefit is payable from the day following work injury for up to 12 months; may be extended to 18 months and, in exceptional cases, to 30 months.

## Permanent Disability Benefits

**Permanent disability pension:** For all degrees of disability, the award is calculated according to the wage of the insured at the time the disability occurred.

Constant-attendance supplement: See Old Age, Disability, and Survivors, above.

## Workers' Medical Benefits

All necessary care, medicine, appliances, and rehabilitation. There is no limit on duration.

## Survivor Benefits

**Survivor pension:** Same as the survivor pension under Old Age, Disability, and Survivors, above.

**Orphan's pension:** Same as the orphan's pension under Old Age, Disability, and Survivors, above.

Other eligible survivors: Same as under Old Age, Disability, and Survivors, above.

Lump-sum benefits: Lump sums are provided for needy dependent parents who are not entitled to a pension.

Minimum pension: The minimum pension is the same as under the disability program of Old Age, Disability, and Survivors, above.

**Funeral grant:** •30.05.

## Administrative Organization

Ministry of Labor and Social Affairs and Ministry of Health and Consumers provide general supervision.

National Institute of Social Security pays benefits.

## Unemployment

### Regulatory Framework

**First law:** 1919.

**Current law:** 1994.

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

### Coverage

Employees in industry and services, railway employees, miners, and seamen. Excluded groups include the self-employed.

Special systems for agricultural workers and members of cooperatives.

### Source of Funds

**Insured person:** 1.55% of base for contribution if employment contract is permanent; 1.6% if employment contract is fixed-term, regardless of occupational class.

**Employer:** 6% of payroll per employee if the employment contract is permanent; for fixed-term contracts the contribution is 6.7% for full-time work or 7.7% for part-time work (7.7% for full-time or part-time employment provided through an agency specializing in temporary work contracts). Contribution rates apply to all employees regardless of their occupational class.

**Government:** Variable subsidies.

The maximum earnings for contribution and benefit purposes are •2,574.90 for occupational classes 1 to 7 and a maximum daily base of •85.83 for classes 8 to 11.

### Qualifying Conditions

**Unemployment benefit:** Entitlement is based on having 12 months of contributions during the last 6 years, registration at the employment office, and unemployment not being due to the refusal of a suitable job offer or training. The duration of the benefit varies with the number of days of contributions. The maximum duration of benefit is 720 days with 2,160 days or more of contributions.

### Unemployment Benefits

70% of average covered earnings during the last 6 months for up to 180 days; 60% after 180 days.

The maximum benefit is 170% of the minimum interprofessional salary, with a possible increase to 220% for workers with children.

The minimum benefit is 75% of the minimum wage; or 100% of the minimum interprofessional salary if at least one child is in the beneficiary's care.

**Unemployment assistance:** Unemployment assistance is provided to workers who have exhausted their benefit entitlement or are not covered. The assistance is 75% of the minimum interprofessional salary for 6 months (and may be

extended for two additional 6-month periods to 18 months) if earning less than 75% of the minimum interprofessional salary.

### Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

National Employment Institute administers the program.

### Family Allowances

#### Regulatory Framework

**First law:** 1938.

**Current law:** 1994 and 2000 (measures to improve family protection).

**Type of program:** Employment-related program.

#### Coverage

**Contributory system:** All employees, social security pensioners, and persons receiving cash sickness benefits who have one or more eligible children.

**Noncontributory system:** All Spanish citizens and legal resident aliens not entitled to child social security benefits or benefits from any other public system.

#### Source of Funds

**Insured person:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** Pays for noncontributory pensions from general revenues.

#### Qualifying Conditions

**Family allowances:** Child must be under age 18 (no limit if at least 65% disabled). No minimum contribution requirement.

**Income-tested allowance:** Family income is under •7,954.07 per year for a family with one child, increased by 15% for each additional child. If the child is disabled, there is no income limit.

**Birth grant:** A lump-sum benefit is paid on the birth of a third child. The lump sum is payable to the mother, the father, or the legal guardian or custodian if the family income does not exceed the base income established for the family allowance.

**Multiple births grant:** A lump-sum benefit is payable to the mother, the father, or the legal guardian or custodian in the event of multiple births. No income limit.

#### Family Allowance Benefits

**Family allowances:** For a child under age 18, the allowance is •291.01 a year; •581.66 a year if the child is at least 33% disabled; •3,012.00 per year if at least 65% disabled; •4,518.00

per year if 75% or more disabled and requires the help of another person to complete essential tasks and undertake the daily routine.

**Birth grant:** A lump-sum benefit of •450.76 is paid on the birth of the third and subsequent children.

**Multiple births grant:** For the birth of twins, the lump sum is equal to four times the minimum interprofessional salary; for the birth of triplets, the lump sum is equal to eight times the minimum interprofessional salary; for four or more births, the lump sum is equal to twelve times the minimum interprofessional salary.

For multiple births, the lump sum can be paid at the same time as for the birth grant for the third and subsequent children.

In 2002, the minimum interprofessional salary is •442.20 a month.

### ***Administrative Organization***

Ministry of Labor and Social Affairs provides general supervision.

National Institute of Social Security and the Treasurer General of Social Security pay benefits.