

## Honduras

Exchange rate: US\$1.00 equals 18.95 lempiras.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1959 (social security), implemented in 1971, with 2001 amendment.

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

#### Coverage

Employed persons in private- and public-sector enterprises in specified regions.

Coverage is being extended gradually to additional regions.

Exclusions: Domestic workers, temporary workers, and some groups of agricultural workers.

#### Source of Funds

**Insured person:** 1% of covered earnings.

The minimum monthly earnings for contribution purposes are 144 lempiras.

The maximum monthly earnings for contribution purposes are 4,800 lempiras.

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

**Employer:** 2% of covered payroll.

The minimum monthly earnings for contribution purposes are 144 lempiras.

The maximum monthly earnings for contribution purposes are 4,800 lempiras.

**Government:** 0.5% of covered payroll; also contributes as an employer.

The minimum monthly earnings for contribution purposes are 144 lempiras.

The maximum monthly earnings for contribution purposes are 4,800 lempiras.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) or age 60 (women) with at least 180 months of contributions.

Retirement from covered employment is necessary.

**Old-age settlement:** Age 65 (men) or age 60 (women) with less than 180 months of contributions.

**Disability pension:** The insured must be assessed with a loss of 2/3 of earning capacity in the usual occupation and have 36 months of contributions in the last 6 years;

8 months of contributions in the last 24 months in the event of a nonoccupational accident. (Men aged 45 or older and women aged 40 or older in 1971 must have contributed for 5 years or 60 months at the time they joined the system.)

**Disability settlement:** The insured must be assessed as disabled but does not meet the qualifying conditions for a pension.

**Survivor pension:** In the case of a death resulting from a common illness, the deceased had at least 36 months of contributions in the last 6 years; 8 months of contributions in the 24 months before the injury resulting in a nonoccupational accident-related death.

Eligible survivors are a widow(er) or partner aged 65 or older or disabled and orphans younger than age 14 (age 18 if a student, no limit if disabled); in the absence of a widow(er) or partner or orphans, a mother of any age and a father older than age 65 or disabled.

#### Old-Age Benefits

**Old-age pension:** The pension is equal to 40% of the insured's basic monthly earnings, plus an additional 1% of earnings for each 12-month period of contributions exceeding 60 months.

Basic monthly earnings for pension calculation purposes are equal to 1/36 or 1/60 of insured earnings in the last 3 or 5 years before the month of entitlement, whatever is greater.

Deferred pension: An additional 3% of basic monthly earnings is paid for each year of contributions after age 65 (men) or age 60 (women).

The minimum pension is equal to 50% of basic monthly earnings.

The maximum pension is equal to 80% of basic monthly earnings.

**Old-age settlement:** The total contributions are refunded as a lump sum.

#### Permanent Disability Benefits

**Disability pension:** The pension is equal to 40% of the insured's basic monthly earnings, plus an additional 1% of earnings for each 12-month period of contributions exceeding 60 months.

Basic monthly earnings for pension calculation purposes are equal to 1/36 or 1/60 of insured earnings in the last 3 or 5 years before the month of entitlement, whatever is greater.

Constant-attendance supplement: If assessed as more than 50% disabled, up to a maximum of 50% of the pension is paid.

The maximum pension is equal to 80% of covered earnings.

**Disability settlement:** The total contributions are refunded as a lump sum.

## Survivor Benefits

**Survivor pension:** A widow(er) receives 40% of the pension paid or payable to the deceased.

The pension ceases on remarriage.

Remarriage settlement: A widow(er) receives a lump sum equal to 12 months' pension.

**Orphan's pension:** Each orphan receives 20% of the deceased's pension; 40% for a full orphan.

**Dependent parent's pension (in the absence of the above):** 20% of the deceased's pension is paid to each eligible parent.

All survivor benefits combined must not exceed 100% of the deceased's pension and is split as follows: a widow(er) or partner receives 40%; orphans younger than age 14 receive a total of 60%.

**Funeral grant:** Equal to 50% of the deceased's basic monthly earnings. The minimum funeral grant is 250 lempiras if the deceased made at least one contribution in the last 6 months; 100 lempiras if the beneficiary is not a member of the deceased's family.

## Administrative Organization

Ministry of Labor and Social Welfare provides general supervision.

Managed by a board of directors and director general, the Social Security Institute (<http://www.ihss.hn>) administers the program.

## Sickness and Maternity

### Regulatory Framework

**First and current law:** 1959 (social security), implemented in 1962, with 2001 amendment.

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

### Coverage

Public-sector employees and employees of firms in industry and commerce with one or more workers in specified regions; disability pensioners; old-age pensioners; and insured persons' children younger than age 11.

Unemployed female workers are eligible for medical care while pregnant and during childbirth but are not eligible for cash maternity benefits.

Coverage is being extended gradually to additional regions. The labor code is still in force in regions to which social insurance has not yet been extended.

Exclusions: Agricultural, domestic, family, and temporary workers.

## Source of Funds

**Insured person:** 2.5% of covered earnings.

The minimum monthly earnings for contribution and benefit purposes are 360 lempiras.

The maximum monthly earnings for contribution and benefit purposes are 4,800 lempiras.

The insured's contributions also finance work injury benefits.

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

**Employer:** 5% of covered payroll.

The minimum monthly earnings for contribution and benefit purposes are 360 lempiras.

The maximum monthly earnings for contribution and benefit purposes are 4,800 lempiras.

The employer's contributions also finance work injury benefits.

**Government:** Contributes as an employer, plus 0.5% of total covered earnings. (The contribution on total covered earnings has never been paid.)

The minimum monthly earnings for contribution and benefit purposes are 360 lempiras.

The maximum monthly earnings for contribution and benefit purposes are 4,800 lempiras.

The government's contributions also finance work injury benefits.

## Qualifying Conditions

**Cash sickness benefits:** The insured must have at least 35 days of contributions in the 3 months before the incapacity began.

**Cash maternity benefits:** The insured must have at least 75 days of contributions in the last 10 months.

**Medical benefits:** Must be in insured employment or unemployed. For maternity medical benefits the insured must have at least 10 months of contributions before the expected date of childbirth or at least 12 months of contributions in the last 18 months.

## Sickness and Maternity Benefits

**Sickness benefit:** The benefit is equal to 66% of the insured's earnings in the last 3 months and is paid after a 3-day waiting period for up to 26 weeks; may be extended to 52 weeks.

The labor code requires employers to provide sick leave to employees not covered by social insurance.

**Maternity benefit:** The benefit is equal to 66% of the insured's earnings and is paid for 6 weeks before and 6 weeks after the expected date of childbirth.

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The labor code requires employers to provide maternity leave to employees not covered by social insurance.

### **Workers' Medical Benefits**

Medical services are provided directly to patients through the health facilities of the Social Security Institute. Benefits include general and specialist care, surgery, hospitalization, necessary medicines, laboratory services, appliances, dental care, and maternity care including postnatal care for up to 42 days.

The period of duration is dependent on continuing to meet the contribution requirements. If the insured person is unemployed, benefits are limited to 60 days of general care and 6 months of specialized care.

### **Dependents' Medical Benefits**

Benefits include maternity care for the insured's wife, including postnatal care for up to 45 days; pediatric care for the insured's children until age 5 and 30 days or for up to 26 weeks after the insured's death.

### **Administrative Organization**

Ministry of Labor and Social Welfare provides general supervision.

Managed by a board of directors and director general, the Social Security Institute (<http://www.ihss.hn>) administers the program.

Social Security Institute operates its own hospitals and outpatient clinics and contracts the services of private clinics.

### **Work Injury**

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#### **Regulatory Framework**

**First and current law:** 1959 (social security), implemented in 1971, with 2001 amendment.

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

#### **Coverage**

Public-sector employees and employees of firms in industry and commerce with one or more workers in specified regions.

Coverage is being extended gradually to additional regions. The labor code is still in force in regions to which social insurance has not yet been extended.

Exclusions: Agricultural, domestic, family, and temporary workers.

#### **Source of Funds**

**Insured person:** See source of funds under Sickness and Maternity, above.

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

**Employer:** See source of funds under Sickness and Maternity, above.

**Government:** See source of funds under Sickness and Maternity, above.

### **Qualifying Conditions**

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

**Survivor benefits:** The deceased must have worked for at least a month in insured employment.

### **Temporary Disability Benefits**

The benefit is equal to 100% of the insured's daily wage and is paid after a 3-day waiting period until recovery or certification of permanent disability.

The maximum daily wage for benefit calculation purposes is 4,800 lempiras.

### **Permanent Disability Benefits**

**Permanent disability pension:** If the assessed degree of disability is greater than 65%, the pension is equal to 70% of the insured's basic monthly earnings.

Basic monthly earnings for pension calculation purposes are equal to 1/36 or 1/60 of insured earnings in the last 3 or 5 years before the month of entitlement, whichever is greater.

**Constant-attendance supplement:** Up to a maximum of 50% of the insured's pension is paid.

**Partial disability:** If the assessed degree of disability is greater than 15%, a percentage of the full pension is paid according to the assessed degree of disability. If the calculated monthly pension is less than 10 lempiras, a lump sum is paid.

### **Workers' Medical Benefits**

Benefits include medical, surgical, and hospital care; medicines; and appliances.

### **Survivor Benefits**

**Survivor pension:** A widow(er) older than age 65 or disabled receives 40% of the pension paid or payable to the deceased.

**Orphan's pension:** Each orphan younger than age 14 (age 18 if a student, no limit if disabled) receives 20% of the deceased's pension; 40% for a full orphan.

**Dependent parent's pension (in the absence of the above):** 20% of the deceased's pension is paid to a mother of any age or a father older than age 65 or disabled.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Funeral grant:** Equal to 50% of the deceased's basic monthly earnings. The minimum funeral grant is 125 lempiras if the deceased had made at least one contribution in the last 6 months.

***Administrative Organization***

Ministry of Labor and Social Welfare provides general supervision.

Managed by a board of directors and director general, the Social Security Institute (<http://www.ihss.hn>) administers the program.

Social Security Institute operates its own outpatient clinics and hospitals.