

## Costa Rica

Exchange rate: US\$1.00 = 530.00 colones.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1941 (social insurance fund).

**Current laws:** 1992 (pensions), 1995 (self-employed), 1995 (individual accounts), 2000 (workers' protection), and 2005 (old-age, disability, and survivors).

**Type of program:** Social insurance and individual account system.

#### Coverage

**Social insurance:** Public- and private-sector employees and self-employed persons.

Special systems for teachers and employees of the justice department.

**Individual account:** Public- and private-sector employees younger than age 55 in 2005.

Exclusions: Self-employed persons.

#### Source of Funds

##### Insured person

**Social insurance:** 2.84% of gross earnings.

The minimum monthly earnings used to calculate contributions are 205,684 colones (October 2015).

There are no maximum earnings used to calculate contributions.

**Individual account:** 1% of earnings plus up to 0.19% of the account balance for administrative fees.

##### Self-employed person

**Social insurance:** 7.92% of gross declared earnings.

The minimum monthly earnings used to calculate contributions are 205,684 colones (October 2015).

There are no maximum earnings used to calculate contributions.

**Individual account:** Not applicable.

##### Employer

**Social insurance:** 5.08% of payroll.

The minimum monthly earnings used to calculate contributions are 205,684 colones (October 2015).

There are no maximum earnings used to calculate contributions.

**Individual account:** 3.25% of payroll.

#### Government

**Social insurance:** 0.58% of the gross income of all workers and self-employed persons.

**Individual account:** None.

#### Qualifying Conditions

##### Old-age pension

**Old-age pension (social insurance):** Age 65 with at least 300 months of contributions. The retirement age may be reduced with additional months of contributions to as low as age 61 years and 11 months with at least 462 months of contributions (men) and age 59 years and 11 months with at least 450 months of contributions (women).

**Advanced pension:** Age 62 (men) and age 60 (women) with at least 300 months of contributions.

**Proportional old-age pension:** Age 65 with at least 180 months but less than 300 months of contributions.

**Deferred pension:** The pension may be deferred.

Retirement is not necessary, except for state employees.

Old-age pensions are not payable abroad.

**Old-age pension (individual account):** Age 65 with at least 300 months of contributions. The retirement age may be reduced with additional months of contributions to as low as age 61 years and 11 months with at least 462 months of contributions (men) and age 59 years and 11 months with at least 450 months of contributions (women). Insured persons who are ineligible for a social insurance pension may withdraw accumulated funds from their individual accounts at age 65.

**Old-age benefit (noncontributory):** See Family Allowances.

##### Disability pension

**Disability pension (social insurance):** Assessed with a loss of at least 66.7% of normal earning capacity and with at least 12 months of contributions in the two years before the disability began if aged 48 or younger; 24 months in the last four years if older than age 48. These requirements are waived if the insured has 180 months of contributions.

Disability pensions are not payable abroad.

**Proportional disability pension:** Assessed with a loss of at least 66.7% of normal earning capacity, with at least 60 months of contributions, and does not meet the contribution requirements for a disability pension.

**Disability benefit (noncontributory):** See Family Allowances.

##### Survivor pension

**Survivor pension (social insurance):** The deceased received or was entitled to receive an old-age or disability pension, had at least 12 months of contributions in the

last 24 months, or had a total of at least 180 months of contributions.

Eligible survivors include a widow(er) or cohabiting partner; children up to age 18 (age 25 if a student; no limit if disabled); and dependent parents and siblings if there are no other eligible survivors.

*Survivor benefit (noncontributory):* See Family Allowances.

### Old-Age Benefits

**Old-age pension (social insurance):** The pension is the insured's average indexed earnings in the last 240 months multiplied by 43% to 52.5%, depending on average earnings in the last 60 months, plus 0.0835% of average earnings for each month of contributions exceeding 240 months. Earnings are adjusted according to changes in the consumer price index.

The minimum monthly pension is 129,522 colones; if the calculated pension amount is lower, a lump sum is paid.

The maximum monthly pension is 1,526,317 colones.

Advanced pension: The pension is reduced by 1.75% for each trimester below the normal pensionable age.

Proportional old-age pension: The benefit is calculated in the same way as the old-age pension, multiplied by the insured's number of contributions and divided by 300.

Deferred pension: The pension is increased by 0.133% of average earnings in the last 240 months for each month the pension is deferred after the normal pensionable age.

The maximum monthly deferred pension is 2,159,738 colones.

Schedule of payments: 13 payments a year.

Benefit adjustment: Benefits are adjusted twice a year, in January and July, according to changes in the cost of living.

**Old-age pension (individual account):** The insured has two different options: make programmed withdrawals or purchase an annuity. In most cases, the withdrawal of funds before retirement is not permitted.

**Old-age benefit (noncontributory):** See Family Allowances.

### Permanent Disability Benefits

**Disability pension (social insurance):** The pension is the insured's average indexed earnings in the last 240 months (or over the entire contribution period, if shorter) multiplied by 43% to 52.5%, depending on average earnings in the last 60 months, plus 0.0835% of average earnings for each month of contributions exceeding 240 months. Earnings are adjusted according to changes in the consumer price index.

The minimum monthly pension is 129,522 colones; if the calculated pension is lower, a lump sum is paid.

The maximum monthly pension is 1,526,317 colones.

Proportional disability pension: The benefit is calculated in the same way as the disability pension, multiplied by the insured's number of contributions and divided by 240.

Schedule of payments: 13 payments a year.

Benefit adjustment: Benefits are adjusted twice a year, in January and July, according to changes in the cost of living.

**Disability benefit (noncontributory):** See Family Allowances.

### Survivor Benefits

**Spouse's pension (social insurance):** 50% of the old-age or disability pension the deceased received or was entitled to receive is paid if younger than age 50; 60% if aged 50 to 59; 70% if aged 60 or older or disabled.

**Orphan's pension (social insurance):** 30% of the old-age or disability pension the deceased received or was entitled to receive is paid; 60% for a full orphan.

**Other eligible survivors (social insurance):** If there is no widow(er) or orphan, 20% of the old-age or disability pension the deceased received or was entitled to receive is paid to each dependent parent and dependent sibling; 60% to dependents older than age 55.

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

Benefit adjustment: Benefits are adjusted twice a year, in January and July, according to changes in the cost of living.

**Survivor benefit (noncontributory):** See Family Allowances.

### Administrative Organization

**Social insurance:** Costa Rican Social Insurance Fund (<http://www.ccss.sa.cr>), directed by an executive president and a nine-member board, administers the program.

State auditor supervises the financial operations of the fund.

**Individual account:** Superintendent of Pensions (<http://www.supen.fi.cr>) regulates and supervises pension operators.

National Council for the Supervision of the Financial System provides regulatory oversight.

Pension operators (OPCs) manage the individual accounts.

### Sickness and Maternity

#### Regulatory Framework

**First laws:** 1941 and 1943.

**Current laws:** 1961; 1973 (health); and 1993 (social insurance), implemented in 1997.

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

### Coverage

**Cash sickness and maternity benefits:** Employed and self-employed persons.

**Medical benefits:** Residents of Costa Rica; visitors to the country may receive emergency medical care according to international agreements.

### Source of Funds

**Insured person:** 5.5% of gross earnings. Pensioners contribute 5% of the pension.

The minimum earnings used to calculate contributions are 205,684 colones (October 2015).

**Self-employed person:** 4.75% to 7.75% of declared earnings.

The minimum earnings used to calculate contributions are 205,684 colones (October 2015).

**Employer:** 9.25% of payroll (cash sickness benefits).

**Government:** 0.25% of total covered earnings; for pensioners, the Social Insurance Fund contributes 8.75% of the pension.

### Qualifying Conditions

**Cash sickness benefits:** Must have at least six months of contributions in the 12 months before the incapacity began and have contributed in the month immediately before the incapacity began.

**Cash maternity benefits and maternity care:** Must have at least three consecutive months of contributions immediately before the birth or six months in the 12 months prior to the birth.

**Medical benefits:** Must be insured.

### Sickness and Maternity Benefits

**Sickness benefit:** 60% of the insured's earnings in the last three months is paid after a three-day waiting period for up to 52 weeks; may be extended in special cases.

**Maternity benefit:** 50% of the insured's earnings is paid for 30 days before and 90 days after the expected date of childbirth.

**Funeral grant:** 95,000 colones is paid for the funeral of the insured or his or her spouse or partner.

### Workers' Medical Benefits

**Medical benefits:** The Social Insurance Fund normally provides medical services directly to patients. Benefits include general, specialist, and maternity care; hospitalization; medicine; dental, auditory, and limited optometry services; and appliances (at a reduced cost).

### Dependents' Medical Benefits

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

### Administrative Organization

Costa Rican Social Insurance Fund (<http://www.ccss.sa.cr>) administers the program.

Costa Rican Social Insurance Fund owns and operates hospitals and clinics and is gradually extending jurisdiction over other hospitals and clinics.

### Work Injury

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#### Regulatory Framework

**First law:** 1925.

**Current law:** 1982 (labor code).

**Type of program:** Employer-liability system through a public carrier.

#### Coverage

Employed persons.

Exclusions: Self-employed persons.

Voluntary coverage is available.

#### Source of Funds

**Insured person:** None.

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

**Employer:** The total cost (pays insurance premiums that vary according to the assessed degree of risk).

**Government:** None.

#### Qualifying Conditions

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

#### Temporary Disability Benefits

75% of the insured's daily earnings for the first 45 days is paid; thereafter, 100% of the legal minimum wage plus 75% of the insured's earnings that exceed this amount. The benefit is paid from the date the disability began for up to two years.

The minimum benefit is the legal minimum wage at the time the disability began.

The legal monthly minimum wage ranges from 286,467.36 colones to 615,083.69 colones, depending on the profession.

## Permanent Disability Benefits

**Permanent disability pension:** For an assessed degree of disability of more than 67% (total disability), the monthly pension is 100% of the minimum wage plus 90% of the insured's earnings that exceed this amount.

The legal monthly minimum wage ranges from 286,467.36 colones to 615,083.69 colones, depending on the profession.

Constant attendance supplement: 78,275 colones a month is paid for a total permanent disability if the insured requires the constant attendance of others to perform daily tasks; 44,547 colones a month for a severe disability.

Grants may be awarded to insured persons with disabilities to purchase, rent, or modify a house.

Partial disability: For an assessed degree of disability from 50% to 67%, 67% of earnings is paid for up to 10 years. For 0.5% to 49%, the assessed degree of disability multiplied by the insured's annual earnings is paid for up to five years. The benefit may be extended for additional five-year periods on a means-tested basis.

## Workers' Medical Benefits

Benefits include medical and surgical care, hospitalization, medicine, appliances, and rehabilitation.

## Survivor Benefits

**Spouse's pension:** 40% of the deceased's earnings is paid to a widow or to a widower with a disability. The pension is paid for 10 years; may be extended for additional five-year periods in special cases.

The maximum widow(er)'s pension is 40% of the deceased's earnings; 30% if there are other eligible dependents.

**Orphan's pension:** 15% to 40% of the deceased's earnings is paid for up to three orphans younger than age 18 (age 25 if a student, no limit if disabled).

**Other eligible survivors:** 20% of the deceased's earnings is paid to the deceased's mother (30% if there are no dependent children) for 10 years. A pension is also paid to a dependent father or other dependent adults, including those aged 60 or older and unable to work.

All survivor benefits combined must not exceed 75% of the deceased's earnings.

**Funeral grant:** 95,000 colones plus transportation costs is paid.

## Administrative Organization

Council of Occupational Health (<http://www.cso.go.cr>) provides general supervision.

National Insurance Institute (<http://portal.ins-cr.com>) administers the program.

## Unemployment

### Regulatory Framework

Labor law requires employers to contribute 1.5% of payroll to finance a mandatory severance pay scheme for cases of unfair dismissal. The amount is 10 days' salary with three to six months of continuous service, 20 days with more than six months but less than one year; and one month for each year of service with at least one year of service, up to eight months.

### Family Allowances

#### Regulatory Framework

**First and current law:** 1974 (family allowances and social development); 2006 (cash transfer).

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

#### Coverage

**Family allowances:** Needy persons who do not qualify for a contributory pension.

**Avancemos cash transfer:** Households classified as extremely poor.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** 5% of monthly payroll finances the Family Allowance and Social Development Fund (FODESAF).

FODESAF is used to fund social assistance family allowances and certain other health, education, infrastructure, and social assistance programs, including the Avancemos cash transfer program.

**Government:** Provides subsidies.

#### Qualifying Conditions

**Family allowances (means tested):** Allowances are paid to persons older than age 65, persons living below the poverty line, persons with disabilities, needy widows aged 55 to 65, or needy widows younger than age 55 with dependents younger than age 18 (age 21 if a student or unemployed), and orphans younger than age 18.

Earnings test: Family or individual income is less than or equal to the official poverty line.

**Avancemos cash transfer:** Children must be aged 12 to 25 and enrolled in secondary education. Families must participate in meetings and activities organized by the Mixed Institute for Social Assistance (IMAS).

### ***Family Allowance Benefits***

**Family allowances (means tested):** At least 75,000 colones a month is paid.

Schedule of payments: 13 payments a year.

**Avancemos cash transfer:** 22,500 colones to 35,000 colones a month is paid per student, according to the grade level.

### ***Administrative Organization***

Ministry of Labor and Social Security provides general supervision.

Social Development and Family Allowances Fund directs the program.

Costa Rican Social Insurance Fund (<http://www.ccss.sa.cr>), directed by an executive president and a nine-member board, administers the family allowances program.

Mixed Institute for Social Assistance (<http://www.imas.go.cr>) administers the Avancemos cash transfer program.