

Guatemala

Exchange rate: US\$1.00 = 7.34 quetzales.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1969, implemented on a national level in 1977.

Current law: 2003 (social insurance) and 2005 (social pension).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Employees, including agricultural workers and some public-sector employees.

Voluntary coverage for persons with at least 12 months of contributions in the last 36 months who join the program up to three months after the end of covered employment.

Exclusions: Self-employed persons.

Social assistance: Needy resident citizens of Guatemala.

Special system for public-sector employees not covered under the social insurance program, including executive and military personnel.

Source of Funds

Insured person

Social insurance: 1.83% of monthly covered earnings; 5.5% of declared earnings in the last month of mandatory coverage for the voluntarily insured.

The minimum daily earnings used to calculate contributions are the daily minimum wage.

The daily minimum wage varies from 79.48 quetzales (export and maquila industry) to 86.90 quetzales (other sectors).

There are no maximum earnings used to calculate contributions.

Social assistance: None with net annual income up to 25,000 quetzales; a fixed yearly amount, varying according to income, with net annual income above 25,000 quetzales.

Self-employed person

Social insurance: Not applicable.

Social assistance: None.

Employer

Social insurance: 3.67% of monthly covered payroll.

The minimum daily earnings used to calculate contributions are the daily minimum wage.

The daily minimum wage varies from 79.48 quetzales (export and maquila industry) to 86.90 quetzales (other sectors).

There are no maximum earnings used to calculate contributions.

Social assistance: None with net annual income up to 25,000 quetzales; a fixed yearly amount, varying according to income, for individuals with net annual income above 25,000 quetzales or legal entities with net annual income above 100,000 quetzales.

Government

Social insurance: 25% of total contributions paid; contributes as an employer.

Social assistance: Subsidies as needed.

Qualifying Conditions

Old-age pension (social insurance): Age 60 with at least 240 months of contributions.

Dependent's supplement: Paid for a spouse or partner, children younger than age 18 (no limit if disabled), and a dependent parent with no work capacity.

The old-age pension is not payable abroad.

Old-age settlement (social insurance): Age 60 with at least 12 but less than 240 months of contributions.

The old-age settlement is not payable abroad.

Old-age social pension (Programa de Aporte Económico del Adulto Mayor, social assistance, means tested): Age 65, unemployed, and not receiving any other pension.

The old-age social pension is not payable abroad.

Disability pension (social insurance): Must be assessed with a total disability (more than a 33% assessed loss of earning capacity) and have at least 36 months of contributions in the six years before the disability began.

The degree of disability is assessed yearly.

Dependent's supplement: Paid for a spouse or partner, children younger than age 18 (no limit if disabled), and a dependent parent with no work capacity.

Constant-attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions.

The disability pension ceases at the normal retirement age and is replaced by an old-age pension.

The disability pension is not payable abroad.

Survivor pension (social insurance): The deceased had at least 36 months of contributions in the last six years, and

received or was entitled to receive the old-age or disability pension at the time of death.

Eligible survivors include a widow, a widower with no work capacity, children younger than age 18 (no limit if disabled), a dependent mother, and a dependent father with no work capacity.

The widow(er)'s pension ceases upon remarriage.

The survivor pension is not payable abroad.

Funeral grant (social insurance): The deceased received or was entitled to receive an old-age or disability pension, or received a survivor pension; may not be combined with the funeral grant paid under Work Injury.

Old-Age Benefits

Old-age pension (social insurance): 50% of the insured's average monthly earnings in the last 60 months plus 0.5% for each six-month period of contributions exceeding 120 months is paid.

Dependent's supplement: 10% of the old-age pension is paid for each eligible dependent.

The maximum monthly earnings used to calculate benefits are 6,000 quetzales.

The minimum monthly pension, including supplements, is 340 quetzales.

The maximum monthly pension, including supplements, is 4,800 quetzales (80% of the maximum monthly earnings used to calculate benefits).

Schedule of payments: 13 payments a year plus a July bonus of 300 quetzales and a December bonus of 500 quetzales.

Benefit adjustment: Benefits are adjusted periodically according to actuarial reviews.

Old-age settlement (social insurance): A lump sum of 70% of total contributions is paid, up to three times the maximum monthly earnings used to calculate benefits.

The maximum monthly earnings used to calculate benefits are 6,000 quetzales.

Old-age social pension (Programa de Aporte Económico del Adulto Mayor, social assistance, means tested): 400 quetzales a month is paid.

Permanent Disability Benefits

Disability pension (social insurance): 50% of the insured's average monthly earnings in the last 60 months plus 0.5% for each six-month period of contributions exceeding 120 months is paid.

Dependent's supplement: 10% of the disability pension is paid for each eligible dependent.

Constant-attendance supplement: 25% of the disability pension is paid.

The minimum monthly pension is 340 quetzales.

Schedule of payments: 13 payments a year plus a July bonus of 300 quetzales and a December bonus of 500 quetzales.

Benefit adjustment: Benefits are adjusted periodically depending on financial resources.

Survivor Benefits

Survivor's pension (social insurance)

Spouse's pension: 50% of the old-age or disability pension the deceased received or was entitled to receive is paid to a widow or a widower with a disability.

The minimum monthly spouse's pension is 170 quetzales.

Orphan's pension: 25% of the old-age or disability pension the deceased received or was entitled to receive is paid for each eligible child; 50% for each full orphan.

The minimum monthly orphan's pension is 85 quetzales; 170 quetzales for a full orphan.

Dependent parent's pension: 25% of the old-age or disability pension the deceased received or was entitled to receive is paid to each dependent parent.

The minimum monthly dependent parent's pension is 85 quetzales.

The minimum combined monthly survivor pension is 340 quetzales.

The maximum combined survivor pension is 100% of the old-age or disability pension the deceased received or was entitled to receive.

Schedule of payments: 13 payments a year plus a July bonus of 300 quetzales and a December bonus of 500 quetzales.

The July and December bonuses are split among the eligible survivors: the widow receives two-thirds, and the remaining one-third is split equally among other eligible survivors.

Funeral grant (social insurance): A lump sum of 600 quetzales is paid to the family member who pays for the funeral; up to 600 quetzales for a nonfamily member.

Benefit adjustment: Benefits are adjusted periodically according to actuarial reviews.

Administrative Organization

Ministry of Labor and Social Welfare (<http://www.mintrabajo.gob.gt/>) provides general supervision.

Social Security Institute (<http://www.igssgt.org/>) administers the programs.

Sickness and Maternity

Regulatory Framework

First law: 1952 (maternity and children).

Current law: 1964 (sickness and maternity).

Type of program: Social insurance system.

Coverage

Employees of firms with at least three workers and freight or passenger transport enterprises with at least one worker.

Exclusions: Self-employed persons.

Special system for household workers.

Source of Funds

Insured person: 2% of gross monthly earnings.

There are no minimum or maximum earnings used to calculate contributions.

Self-employed person: Not applicable.

Employer: 4% of gross monthly payroll.

There are no minimum or maximum earnings used to calculate contributions.

Government: 2% of gross monthly payroll; contributes as an employer.

There are no minimum or maximum earnings used to calculate contributions.

Qualifying Conditions

Cash sickness and maternity benefits: Must have at least four months (three months for those who joined the scheme before August 5, 2005) of contributions in the six months before the incapacity began.

Medical benefits: Must have at least four months of contributions in the last six months; there is no minimum contribution period for persons first insured before August 5, 2005.

Sickness and Maternity Benefits

Sickness benefit: 66.7% of the insured's average daily earnings in the month before the incapacity began is paid after a three-day waiting period for up to 26 weeks; may be extended to 39 weeks. The maximum combined benefit for multiple periods of incapacity is 52 weeks in a 24-month period.

The minimum daily benefit is 12 quetzales.

The maximum daily benefit 120 quetzales.

Maternity benefit: 100% of the insured's average daily earnings in the month before childbirth is paid for 30 days before and 54 days after the expected date of childbirth. Nursing mothers are also permitted one hour a day at work to nurse their children, for up to 10 months.

Workers' Medical Benefits

Benefits include general, specialist, and maternity care; surgery; hospitalization; medicine; laboratory services; X-rays; appliances; transportation; rehabilitation; and retraining.

Free medical benefits are provided to uninsured persons in an emergency and until the condition stabilizes.

Dependents' Medical Benefits

The wife or partner of an insured man receives the same maternity care and accident benefits as an insured woman in all parts of the country, and sickness benefits in 21 of the 22 administrative departments. The insured's children younger than age 7 are also covered.

Free medical benefits are provided to non-insured persons in an emergency and until the condition stabilizes.

Administrative Organization

Ministry of Labor and Social Welfare (<http://www.mintrabajo.gob.gt/>) provides general supervision.

Social Security Institute (<http://www.igssgt.org/>) administers contributions and benefits and provides medical benefits through its hospitals, clinics, and other medical services.

Work Injury

Regulatory Framework

First law: 1947.

Current law: 1994, implemented in 1995.

Type of program: Social insurance system.

Coverage

Employed persons, including private and public-sector employees.

Exclusions: Self-employed persons.

Special systems for elected state officials, diplomats, and household workers.

Source of Funds

Insured person: 1% of gross monthly earnings.

There are no minimum or maximum earnings used to calculate contributions.

Self-employed person: Not applicable.

Employer: 3% of gross monthly payroll.

There are no minimum or maximum earnings used to calculate contributions.

Government: 1.5% of gross monthly payroll.

There are no minimum or maximum earnings used to calculate contributions.

Qualifying Conditions

For cash benefits, the insured must have at least three months of contributions before the work injury or

occupational disease began. For medical benefits, the insured must have at least four months of contributions in the last six months before the work injury or occupational disease began.

Temporary Disability Benefits

66.7% of the insured's average daily earnings in the three months before the disability began is paid after a two-day waiting period.

The minimum daily benefit is 12 quetzales.

The maximum daily benefit is 120 quetzales.

Benefit adjustment: Benefits are adjusted periodically depending on financial resources.

Permanent Disability Benefits

A lump sum of 495 to 4,950 quetzales is paid according to the assessed degree of disability.

Benefit adjustment: Benefits are adjusted periodically depending on financial resources.

Workers' Medical Benefits

Benefits include medical treatment, surgery, hospitalization, medicine, appliances, transportation, rehabilitation services, X-rays, laboratory tests, and retraining.

Survivor Benefits

Funeral grant: A lump sum of up to 412.50 quetzales is paid for funeral expenses.

Benefit adjustment: Benefits are adjusted periodically depending on financial resources.

Administrative Organization

Ministry of Labor and Social Welfare (<http://www.mintrabajo.gob.gt/>) provides general supervision.

Social Security Institute (<http://www.igssgt.org/>) administers contributions and benefits and provides medical benefits through its hospitals, clinics, and other medical services.

Unemployment

Regulatory Framework

Labor law requires employers to provide severance pay in cases of unfair dismissal to workers with permanent contracts who have passed a probation period. The benefit is one month's salary for each year of continuous service and is reduced proportionately for fractions of a year.