

Chile

Exchange rate: US\$1.00 = 665.10 pesos.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1924.

Current laws: 1952 (social insurance), 1952 (wage earners), 1975 (social assistance), 1980 (individual accounts), 1980 (social insurance), and 2008 (social security reform).

Type of program: Social insurance, mandatory individual account, social assistance, and universal (child benefit) system.

Coverage

Social insurance: Wage earners, salaried employees, and self-employed persons with earnings lower than three times the legal monthly minimum wage who paid social insurance contributions before January 1, 1983 and opted to remain under the social insurance system.

The legal monthly minimum wage is 270,000 pesos (276,000 pesos as of January 2018).

Special systems for certain salaried employees, including railroad employees, seamen and port workers, public-sector employees, and military and police personnel.

Mandatory individual account: Employees who entered the labor force after December 31, 1982, and certain self-employed persons (starting in 2018).

Voluntary coverage for workers covered by social insurance before January 1, 1983.

Social assistance and universal child benefit: Residents of Chile.

Source of Funds

Insured person

Social insurance: Wage earners contribute 18.84% of covered wages; salaried employees contribute 20% to 30% of covered earnings, depending on the occupation.

The maximum monthly earnings used to calculate contributions are 60 UFs (Unidad de Fomento). The ceiling is adjusted annually according to changes in real wages during the previous year.

The UF, an index that is adjusted daily according to monthly changes in the consumer price index, is 26,665.98 pesos.

Mandatory individual account: 10% of annual covered earnings (old age) plus 1.41% (disability and survivor) and an average of 1.23% (administrative fees). Persons working under arduous conditions contribute an additional 1% or 2% of annual covered earnings depending on the occupation.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 270,000 pesos for insured persons aged 18 to 65 (276,000 pesos as of January 2018); 201,561 pesos for insured persons younger than age 18 or older than age 65 (206,041 pesos as of January 2018).

The maximum monthly earnings used to calculate contributions are 75.7 UFs (Unidad de Fomento). The ceiling is adjusted annually according to changes in real wages during the previous year.

The UF, an index that is adjusted daily according to monthly changes in the consumer price index, is 26,665.98 pesos.

Social assistance and the universal child benefit: None.

Self-employed person

Social insurance: 18.84% of covered declared earnings.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 270,000 pesos for self-employed persons aged 18 to 65 (276,000 pesos as of January 2018); 201,561 pesos for self-employed persons younger than age 18 or older than age 65 (206,041 pesos as of January 2018).

The maximum monthly earnings used to calculate contributions are 60 UFs (Unidad de Fomento).

The UF, an index that is adjusted daily according to monthly changes in the consumer price index, is 26,665.98 pesos.

Mandatory individual account: 10% of annual covered declared earnings (old age) plus 1.41% (disability and survivor) plus an average of 1.23% (administrative fees).

The minimum annual covered earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 270,000 pesos for self-employed persons aged 18 to 65 (276,000 pesos as of January 2018); 201,561 pesos for self-employed persons younger than age 18 or older than age 65 (206,041 pesos as of January 2018).

The maximum annual earnings used to calculate contributions are 908.4 UFs (Unidad de Fomento).

The UF, an index that is adjusted daily according to monthly changes in the consumer price index, is 26,665.98 pesos.

Social assistance and the universal child benefit: None.

Employer

Social insurance: None.

Mandatory individual account: 1% or 2% of covered payroll for employees working under arduous conditions (old age), depending on the occupation, plus 1.41% of payroll (disability and survivor).

The maximum monthly earnings used to calculate contributions are 75.7 UFs. The ceiling is adjusted annually according to changes in real wages during the previous year.

The UF, an index that is adjusted daily according to monthly changes in the consumer price index, is 26,665.98 pesos.

Social assistance and the universal child benefit: None.

Government

Social insurance: The total cost of accrued rights.

Mandatory individual account: The total cost of the guaranteed minimum old-age and disability pensions, old-age solidarity top-up benefit (APS Vejez), and disability solidarity top-up benefit (APS Invalidez); subsidizes contributions for young workers (50% of monthly contributions for earnings below the minimum monthly earnings) for the first 24 months of contributions.

Social assistance and the universal child benefit: The total cost.

Qualifying Conditions

Old-age pension (social insurance): For wage earners, age 65 with at least 1,040 weeks of contributions or 800 weeks of contributions, including at least 50% of the weeks since coverage began (men), or age 60 with at least 520 weeks of contributions (women); age 65 (men) or age 60 (women) with at least 10 years of contributions for salaried employees.

Retirement is not necessary for wage earners; salaried employees must cease all gainful activity.

The normal retirement age for insured persons with at least 1,020 weeks of contributions is reduced by one year (two years for workers in mining or smelting) for each five-year period of work under arduous conditions, up to five years (10 years for workers in mining or smelting).

Salaried woman's child supplement: Must have at least 20 years of contributions; no contribution requirement for widows.

Old-age pension (mandatory individual account): Age 65 (men) or age 60 (women). The normal retirement age for insured persons with at least 20 years of contributions is reduced by one or two years for each five-year period of work under arduous conditions, depending on the occupation, up to 10 years.

Early pension: At any age if the individual account balance is sufficient to provide a pension of at least 70% of the

insured's average covered earnings in the last 10 years and 80% of the PMAS (Pensión Máxima con Aporte Solidario).

The PMAS is the lowest value of the old-age pension before qualifying for the old-age solidarity top-up benefit (APS Vejez). The PMAS is 309,231 pesos a month.

Recognition bond: Age 65 (men) or age 60 (women) and moved from the social insurance program to the mandatory individual account program. Must have had 12 contributions under the social insurance program from November 1975 to October 1980 or at least one contribution from July 1, 1979, to the date of enrollment into the mandatory individual account program.

Guaranteed minimum old-age pension: Age 65 (men) or age 60 (women) with at least 20 years of contributions whose sum of pensions, income, and taxable earnings is less than the minimum monthly old-age pension.

The minimum monthly old-age pension is 132,258.72 pesos if younger than age 70; 144,614.74 pesos if aged 70 to 75; or 154,299.05 pesos if older than age 75.

The guaranteed minimum pension is being phased out and replaced by the old-age solidarity top-up benefit (APS Vejez) by 2023. Until then, there is a choice between the two benefits for persons who received the guaranteed minimum pension before July 1, 2008, and those aged 50 or older on July 1, 2008.

Old-age solidarity top-up benefit (APS Vejez, social assistance, means tested): Age 65 and a resident of Chile for 20 years since age 20, including four of the last five years. Must have a base pension (individual account or social insurance old-age pension plus any work-injury survivor pension) of less than the PMAS, and the pensioner's family must be among the poorest 60% of the population as assessed by the census.

The PMAS is the lowest value of the old-age pension before qualifying for the old-age social security top-up benefit. The PMAS is 309,231 pesos a month.

Old-age solidarity pension (Pensión Básica Solidaria de Vejez, PBSV, social assistance, means tested): Age 65; a resident of Chile for 20 years from age 20, including at least four of the last five years; and does not meet the contribution requirements for any other pension. The pensioner's family must be among the poorest 60% of the population as assessed by the census.

Child benefit (universal): Paid to a woman who gave birth to or adopted at least one child in her lifetime and receives an old-age solidarity pension, a solidarity top-up benefit, or a survivor pension; or who is aged 65 or older, has been a resident of Chile for at least 20 years since age 20, including at least four of the last five years, retired on or after July 1, 2009, and is affiliated with a pension fund management company (AFP).

Winter grant (social assistance, means tested): Paid to a pensioner whose monthly old-age pension is less than the

minimum monthly old-age pension for pensioners older than age 75.

The minimum monthly old-age pension for pensioners older than age 75 is 144,224.34 pesos.

Golden wedding anniversary grant (social assistance, means tested): Paid to couples married for 50 years whose household income is in one of the lowest four income quintiles. Must have resided in Chile for at least four of the five years before the claim is made. The claim must be made within one year of the 50th anniversary.

Disability pension (social insurance): Wage earners must be assessed with a total (at least a 70% loss of earning capacity) or partial (30% to 69% loss of earning capacity) disability. Must have been younger than age 65 (men) or age 60 (women) when the disability began, and have at least 50 weeks of contributions, including at least 40% of the weeks in the last five years and 50% of the weeks since coverage began (women and men with at least 400 weeks of coverage are exempt from this last requirement).

Salaried employees younger than age 65 (men) or age 60 (women) must be assessed with at least a 66.7% degree of disability and have at least three years of contributions.

Preventive and disability medical commissions assess the degree of disability for wage earners and salaried employees.

Salaried woman's child supplement: Paid for a dependent child.

Disability pension (mandatory individual account): Must be younger than age 65 and assessed with at least a 66% loss of earning capacity (not caused by a work-related accident). Coverage is extended for up to 12 months after employment ceases if the insured has six months of contributions in the last year of employment.

Partial disability pension: Must be younger than age 65 and assessed with a 50% to 65% loss of earning capacity (not caused by a work-related accident). Coverage is extended for up to 12 months after employment ceases if the insured has six months of contributions in the last year of employment (voluntarily insured and self-employed persons must also have contributed in the month immediately before the disability began).

Regional medical commissions assess the degree of disability.

Guaranteed minimum disability pension: Paid to persons who received the guaranteed minimum pension or a disability pension prior to July 1, 2008, or are aged 50 or older and enrolled in an AFP. The insured's disability pension must be less than the minimum monthly disability pension.

The minimum monthly disability pension is 132,258.72 pesos if younger than age 70; 144,614.74 pesos if aged 70 to 75; or 154,299.05 pesos if older than age 75).

The guaranteed minimum disability pension is being phased out and replaced by the disability solidarity top-up

benefit (APS Invalidez) by 2023. Until then, there is a choice between the two benefits for persons who received the guaranteed minimum pension before July 1, 2008, and those aged 50 or older on July 1, 2008.

Disability solidarity top-up benefit (APS Invalidez, social assistance, means tested): Aged 18 to 64, a resident of Chile for at least five of the last six years, and assessed with a disability. Must have a base pension (individual account or social insurance disability pension plus any survivor benefits) of less than the disability solidarity pension, and the pensioner's family must be among the poorest 60% of the population as assessed by the census.

The disability solidarity pension is 104,646 pesos a month.

Disability solidarity pension (Pension Básica Solidaria de Invalidez, PBSI, social assistance, means tested): Aged 18 to 64, a resident of Chile for at least five of the last six years, assessed with a disability, and does not meet the contribution requirements for any other pension. The pensioner's family must be among the poorest 60% of the population as assessed by the census.

Survivor pension (social insurance): The insured wage earner must have had at least 400 weeks of paid contributions; or at least 50 weeks of paid contributions, including at least 40% of the weeks in the last five years and 50% of the weeks since coverage began (women are exempt from this last requirement).

The insured salaried employee must have had at least three years of contributions.

Eligible survivors include a widow(er) who was married to the insured for at least six months (at least three years if the insured was a pensioner), a widow(er) who had children with the deceased, or a widow who was pregnant with the deceased's child at the time of death; the mother of the deceased's extramarital children; children younger than age 18 (age 24 if a student, no age limit if disabled); and the deceased's parents if there are no other eligible survivors.

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

Survivor pension (mandatory individual account): The deceased received or was entitled to receive an individual account old-age or disability pension.

Eligible survivors include a widow(er) who was married to the insured for at least six months (at least three years if the insured was a pensioner), a widow(er) who had children with the deceased, or a widow who was pregnant with the deceased's child at the time of death; the mother of the deceased's extramarital children; children younger than age 18 (age 24 if a student, no age limit if disabled); and the deceased's parents if there are no other eligible survivors.

Funeral grant (social insurance and social assistance): Paid to the person who pays for the funeral of the insured worker or pensioner.

Funeral grant (mandatory individual account): Paid to the person who pays for the funeral of the insured.

Old-Age Benefits

Old-age pension (social insurance): The monthly benefit is 50% of the insured's base wage plus 1% of the base wage for each 50-week period of contributions exceeding 500 weeks for wage earners; 1/35 of the insured's base salary multiplied by the number of years of contributions for salaried employees.

The base wage or salary is the insured's average monthly wage or salary in the last five years, with the first two years adjusted for wage or salary changes.

Salaried woman's child supplement: 1/35 of the insured's base salary is paid for each dependent child; 2/35 of the base salary if a widow.

The minimum monthly old-age pension is 132,258.72 pesos if younger than age 70; 144,614.74 pesos if aged 70 to 75; or 154,299.05 pesos if older than age 75.

Benefit adjustment: Benefits are adjusted automatically each year according to changes in the consumer price index; earlier if the change in the consumer price index is at least 15% before the 12-month cycle ends.

Old-age pension (mandatory individual account): The insured has four different payment options: an immediate life annuity, temporary income with a deferred life annuity, programmed withdrawals, or an immediate life annuity with programmed withdrawals.

Recognition bond: 12 times the insured's monthly earnings before July 1979 plus 4% accrued annual interest is deposited into the individual account during the month after the insured reaches retirement age.

Guaranteed minimum old-age pension: 132,258.72 pesos a month is paid if the insured is younger than age 70; 144,614.74 pesos a month if aged 70 to 75; or 154,299.05 pesos a month if older than age 75.

Benefit adjustment: Benefits are adjusted automatically according to changes in the consumer price index.

Old-age solidarity top-up benefit (APS Vejez, social assistance, means tested): The difference between the base pension (old-age pension plus any survivor benefits received) and the minimum pension is paid.

The minimum monthly old-age pension is 132,258.72 pesos if younger than age 70; 144,614.74 pesos if aged 70 to 75; or 154,299.05 pesos if older than age 75.

The maximum combined old-age pension and old-age solidarity top-up benefit is 309,231 pesos a month.

Benefit adjustment: Benefits are adjusted automatically each year according to changes in the consumer price index; earlier if the change in the consumer price index is at least 10% before the 12-month cycle ends.

Old-age solidarity pension (Pensión Básica Solidaria de Vejez, PBSV, social assistance, means tested): 102,897 pesos a month is paid.

Benefit adjustment: Benefits are adjusted automatically each year according to changes in the consumer price index; earlier if the change in the consumer price index is at least 10% before the 12-month cycle ends.

Child benefit (universal): A bond is paid for each live birth or adopted child. For women younger than age 65 on July 1, 2009, 10% of 18 times the legal monthly minimum wage at the time of the child's birth or adoption is deposited into the individual account during the month after the mother reaches age 65. For children born or adopted before July 1, 2009, the bond accrues interest from July 1, 2009, until the insured reaches age 65. For children born or adopted after July 1, 2009, the bond accrues interest from the date of childbirth or adoption until the insured reaches age 65. The bond's interest rate is the average annual rate for Fund C minus administrative fees for that period.

The legal monthly minimum wage is 270,000 pesos for insured persons aged 18 to 65 (276,000 pesos as of January 2018); 201,561 pesos for insured persons younger than age 18 or older than age 65 (206,041 pesos as of January 2018).

Winter grant (social assistance, means tested): 59,188 pesos a year is paid in May.

Benefit adjustment: Benefits are adjusted automatically each year.

Golden wedding anniversary grant (social assistance, means tested): A lump sum of 307,516 pesos (153,758 pesos per spouse) is paid.

Benefit adjustment: Benefits are adjusted automatically each year.

Permanent Disability Benefits

Disability pension (social insurance): For a total disability, the monthly pension is 50% of the insured's base wage plus 1% of the base wage for every 50-week period of contributions exceeding 500 weeks for wage earners; 70% of the insured's base salary plus 2% of the base salary for every year of contributions exceeding 20 years for salaried employees.

The base wage or salary is the insured's average monthly wage or salary in the last five years, with the first two years adjusted for wage or salary changes.

For a partial disability, 50% of the total disability pension is paid.

The minimum monthly disability pension is 132,258.72 pesos if younger than age 70; 144,614.74 pesos if aged 70 to 75; or 154,299.05 pesos if older than age 75.

Salaried woman's child supplement: 1/35 of the insured's base salary (1/30 for civil servants) is paid for each

dependent child; 2/35 of the base salary (2/30 for civil servants) if a widow.

Benefit adjustment: Benefits are adjusted automatically each year according to changes in the consumer price index; earlier if the change in the consumer price index within the year is at least 15% before the 12-month cycle ends.

Disability pension (mandatory individual account): For a total disability, 70% of the insured's base salary is paid. The pension is financed through the individual account. (Disability insurance tops up the accumulated capital in the individual account if the balance is less than the required minimum to finance the permanent disability pension.)

Temporary partial disability: 50% of the insured's base salary is paid for up to three years. The individual pension fund management company (AFP) pays the benefit through an insurance policy for the insured. The funds from the individual account are only used to pay the benefit if the insured is not covered by disability and survivor insurance (has not made any contributions to the individual account for at least one year).

The base salary is the insured's average monthly salary in the last 10 years.

Long-term partial disability pension: Following a second level of assessment and certification, the pension is financed through the individual account. (Disability insurance tops up the accumulated capital in the individual account if the balance is less than that required to finance a pension of 50% of the insured's base salary).

Guaranteed minimum disability pension: 32,258.72 pesos is paid if younger than age 70; 144,614.74 pesos if aged 70 to 75; or 154,299.05 pesos if older than age 75.

Benefit adjustment: Benefits are adjusted automatically according to changes in the consumer price index.

Disability solidarity top-up benefit (APS Invalidez, social assistance, means tested): The difference between the base pension (old-age pension plus any survivor benefits) and the disability solidarity pension is paid.

The maximum combined disability pension and disability solidarity top-up benefit is 102,897 pesos a month.

Benefit adjustment: Benefits are adjusted automatically each year according to changes in the consumer price index; earlier if the change in the consumer price index within the year is at least 10% before the 12-month cycle ends.

Disability solidarity pension (Pension Básica Solidaria de Invalidez, PBSI, social assistance, means tested): 89,764 pesos a month is paid.

Benefit adjustment: Benefits are adjusted automatically each year according to changes in the consumer price index; earlier if the change in the consumer price index within the year is at least 10% before the 12-month cycle ends.

Survivor Benefits

Survivor pension (social insurance)

Spouse's pension: 60% of the deceased's base wage or salary or of the old-age or disability pension the deceased received or was entitled to receive, whichever is greater, is paid to a widow aged 55 or older or to a widower with a disability if there are no eligible children; 50% with eligible children. The mother of the deceased's extramarital children receives 60% of the widow's pension.

A widow younger than age 55 receives a lump sum of two years of the pension.

The base wage or salary is the deceased's average monthly wage or salary in the last five years, with the first two years adjusted for wage or salary changes.

The minimum monthly spouse's pension with children is 71,792.39 pesos if younger than age 70; 92,475.77 pesos if aged 70 or older.

The minimum monthly spouse's pension without children is 85,827.30 pesos if younger than age 70; 107,091.04 pesos if aged 70 or older.

Orphan's pension: 20% of the base wage or salary (the insured's average monthly wage or salary in the last five years) or of the old-age or disability pension the deceased received or was entitled to receive, whichever is greater, is paid to each orphan.

The minimum monthly orphan's pension 19,838 pesos.

Benefit adjustment: Benefits are adjusted automatically each year according to changes in the consumer price index; earlier if the change in the consumer price index within the year is at least 15% before the 12-month cycle ends.

Survivor pension (mandatory individual account)

Spouse's pension: 60% of the individual account old-age or disability pension the deceased received or was entitled to receive is paid to a widow(er) if there are no eligible children; 50% to a widow(er) with eligible children; and 36% to the mother or father of the deceased's extramarital children (30% if the deceased and the spouse had eligible children together).

The minimum monthly spouse's pension with children is 71,792.39 pesos if younger than age 70; 92,475.77 pesos if aged 70 to 75; or 92,475.77 pesos if older than age 75.

The minimum monthly spouse's pension without children is 85,827.30 pesos if younger than age 70; 107,091.04 pesos if aged 70 or older.

Orphan's pension: 15% of the individual account old-age or disability pension the deceased received or was entitled to receive is paid to each orphan younger than age 18 (age 24 if a student and single, no limit if disabled); 11% for each partially disabled orphan older than age 24.

The minimum monthly orphan's pension is 19,838.80 pesos.

Other survivor's pension: 50% of the individual account old-age or disability pension the deceased received or was entitled to receive is paid to each parent, if there are no other eligible survivors and the parents are entitled to family benefits.

If the deceased was actively contributing to an individual account, survivor pensions are calculated according to a reference pension of 70% of the deceased's average monthly earnings in the last 10 years.

The pension paid as the result of the death of an insured person or a temporary partial disability beneficiary is financed with the deceased's individual account balance; if the deceased was a pensioner, the type of benefit depends on the type of retirement pension that the deceased chose. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance is less than the required minimum to finance the survivor pension.)

There is no maximum survivor pension.

Benefit adjustment: Benefits are adjusted automatically each year according to changes in the consumer price index.

Funeral grant (social insurance and social assistance):

A lump sum of up to three times the monthly non-remuneration minimum wage is paid.

The monthly non-remuneration minimum wage is 174,166.00 pesos.

Funeral grant (mandatory individual account): A lump sum of 15 UFs is paid (from the deceased's individual account or life annuity) to the relative who paid for the funeral expenses.

The UF, an index that is adjusted daily according to monthly changes in the consumer price index, is 26,665.98 pesos.

Administrative Organization

Ministry of Labor and Social Security through the Superintendent of Pensions (<http://www.spensiones.cl/>) provides general supervision.

Individual pension fund management companies (AFPs) administer individual accounts and collect contributions.

Social Security Institute (<http://www.spensiones.cl/>) administers the social insurance and assistance programs.

Sickness and Maternity

Regulatory Framework

First law: 1924.

Current laws: 1978 (sickness benefits); 1979 (national health system); 1984 (sick leave); 1985 (public health system), implemented in 1986; 1990 (private health

system); 2004 (health guarantees), implemented in 2005; 2011 (extended parental leave); 2014 (maternity); and 2015 (health insurance contributions eliminated for pensioners).

Type of program: Social insurance and mandatory private insurance system.

Note: Insured persons may opt out of the national public health system and contract with a private health institute.

Coverage

Public and private systems: Public- and private-sector workers; self-employed persons; contract workers; pensioners; persons receiving work injury, unemployment, or social assistance benefits; persons entitled to family allowances; and pregnant women. (Persons without earnings, beneficiaries of social assistance pensions, pregnant women, and mothers up to six months after childbirth are covered by the public system.)

Source of Funds

Insured person

Public system: 7% of covered earnings (Pensioners and solidarity beneficiaries are exempt).

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 270,000 pesos for insured persons aged 18 to 65 (276,000 pesos as of January 2018); 201,561 pesos for insured persons younger than age 18 or older than age 65 (206,041 pesos as of January 2018).

The maximum monthly earnings used to calculate contributions are 75.7 UFs (Unidad de Fomento). The ceiling is adjusted annually according to changes in real wages during the previous year.

The UF, an index that is adjusted daily according to monthly changes in the consumer price index, is 26,665.98 pesos.

Private system: At least 7% of gross earnings, depending on the health plan.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 270,000 pesos for insured persons aged 18 to 65 (276,000 pesos as of January 2018); 201,561 pesos for insured persons younger than age 18 or older than age 65 (206,041 pesos as of January 2018).

Self-employed person

Public system: 7% of declared earnings.

The minimum monthly earnings used to calculate contributions are 270,000 pesos.

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Private system: At least 7% of declared earnings, depending on the health plan.

The minimum monthly earnings used to calculate contributions are 270,000 pesos.

Employer

Public system: None.

Private system: None.

Government

Public system: The total cost of maternity benefits; any deficit in the national health system.

Private system: Partially finances the cost of sickness benefits.

Qualifying Conditions

Cash sickness, maternity and paternity benefits (public and private systems): Employees must have at least six months of contributions, including at least three months of contributions in the last six months; contract workers, at least six months of contributions, including at least 30 days of contributions in the last six months; and self-employed persons, at least 12 months of coverage with at least six months of paid contributions in the last 12 months.

There are no qualifying conditions for an incapacity that is the result of an accident.

Medical benefits (public and private systems): There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit (public and private systems): For public-sector employees, the benefit is 100% of the insured's net earnings before the incapacity began; for private-sector employees, 100% of the insured's average monthly net earnings in the last three months; for self-employed persons, 100% of the insured's average monthly declared earnings in the last six months.

The sickness benefit is paid retroactively from the first day if the sick-leave period is at least 11 days; from the fourth day if the sick-leave period is less than 11 days. Under a collective agreement, the employer is only required to pay benefits for the first three days.

The minimum daily sickness benefit is 2,838 pesos.

Maternity benefit (public and private systems): For public-sector employees, 100% of the insured's monthly earnings is paid; for private-sector employees, 100% of the insured's average monthly net earnings in the three months before the expected date of childbirth; for self-employed persons, 100% of the insured's average monthly declared earnings in the last six months. The benefit is paid for six weeks before and 12 weeks after the expected date of childbirth; may be extended in cases of premature or multiple births.

If both spouses work, either may receive the maternity benefit.

The minimum daily maternity benefit is 2,838 pesos.

The maternity benefit is also paid for 12 months for the adoption of a child younger than age 6 months.

Extended postnatal parental leave: 100% of the maternity benefit is paid for 12 weeks after the maternity benefit ends; 50% is paid for up to 18 weeks if the woman returns to work part time after the normal parental leave ends. Up to six weeks of the benefit may be transferred to the father from the seventh week if the mother returns to work at that time.

Paternity benefit (public and private systems): For public-sector employees, 100% of the insured's monthly earnings is paid; for private-sector employees, 100% of the insured's average monthly net earnings in the three months before the expected date of childbirth; for self-employed persons, 100% of the insured's average monthly declared earnings in the last six months. The benefit is paid for five days during the 30-day period after the childbirth.

The paternity benefit is also paid for the adoption of a child younger than age 6 months.

The minimum daily paternity benefit is 2,838 pesos.

Workers' Medical Benefits

Medical benefits (public system): Public or private health institutions and professionals registered with the National Health Fund provide benefits. Benefits include general and specialist care, periodic medical examinations, hospitalization, medicine, dental care, and maternity care.

There is no limit to duration.

General Scheme of Health Guarantees establishes the minimum benefits to be provided by the public system.

Co-payments are required for certain treatments. Persons with insurable earnings above 385,440 pesos a month pay 20% (10% with three dependents); with insurable earnings from 264,000 pesos to 385,440 pesos a month, 10% (0% with three dependents). Beneficiaries of basic solidarity pensions, family subsidies, and persons earnings less than 264,000 pesos a month are exempt.

The maximum annual co-payment is 3.5 times annual insurable earnings.

There is no cost sharing for general care and certain medicines.

Medical benefits (private system): The insured must sign a minimum 12-month contract with a private health institute and may choose among open, closed, or preferred doctor plans. Benefits, as well as cost sharing, vary by contract but must be at least equal to those provided by the public system.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured in the public and private systems. The widow(er) and children are covered for a year after the insured's death in the private system.

Administrative Organization

Ministry of Health (<http://www.minsal.cl/>) provides general supervision of the system.

Superintendent of Health (<http://www.supersalud.gob.cl/>) oversees the public and private schemes and public and private health providers.

National Health Fund (FONASA) (<https://www.fonasa.cl/>) collects contributions and administers the public system.

Health Institutions (ISAPREs) (<http://www.isapre.cl/>) collect contributions and administer the private system.

Work Injury

Regulatory Framework

First law: 1916.

Current laws: 1968 (work injury and occupational diseases), 1994 (work injury and occupational diseases for civil servants), 1998 (contribution rates), 2005 (coverage to students and apprentices), 2008 (self-employed workers), and 2008 (employer's contribution rate).

Type of program: Social insurance system.

Coverage

Public- and private-sector workers, self-employed persons who contribute to old-age and sickness schemes, household workers, contract and temporary workers, students, apprentices, and trade union representatives.

Source of Funds

Insured person: None.

Self-employed person: 0.94% of monthly covered declared income plus up to 3.4% of monthly covered declared earnings, depending on the occupation.

The minimum monthly earnings used to calculate contributions are 270,000 pesos.

The maximum monthly earnings used to calculate contributions are 75.7 UFs (Unidad de Fomento). The ceiling is adjusted annually according to changes in real wages during the previous year.

The UF, an index that is adjusted daily according to monthly changes in the consumer price index, is 26,597.33 pesos.

Employer: 0.94% of covered payroll plus up to 3.4% of covered payroll according to the industry and the assessed degree of risk.

The contribution can increase up to 6.8% of covered payroll in companies with a high accident rate.

Government: None; contributes as an employer.

Qualifying Conditions

Must be assessed with a work injury or occupational disease. Accidents that occur while commuting to and from work are covered.

Self-employed persons must have paid all due contributions.

Temporary Disability Benefits

For public-sector employees, 100% of the insured's net monthly earnings is paid; for private-sector employees, 100% of the insured's average monthly net earnings in the three months before the disability began; for self-employed persons, 100% of the insured's average declared net earnings in the six months before the disability began.

The minimum daily benefit is 1/30th of 50% of the monthly earnings used to calculate contributions.

The benefit is paid from the day of injury for up to 52 weeks (may be extended up to an additional 52 weeks).

Benefit adjustment: Benefits are adjusted according to salary and wage increases.

Permanent Disability Benefits

Permanent disability pension: For a total disability (at least a 70% assessed degree of disability), 70% of the insured's base salary is paid.

The base salary is the insured's average monthly insured earnings in the six months before the disability began.

In most cases, Preventive and Disability Medical Commissions assess the degree of disability. The degree of disability is reassessed once every two years in the eight years after the pension is awarded.

Constant-attendance allowance: 30% of the insured's base salary is paid if the insured requires the constant attendance of others to perform daily functions.

Child's supplement: 5% of the permanent disability pension is paid for the third and each subsequent child entitled to family allowances.

The minimum monthly permanent disability pension is 132,258.72 pesos if younger than age 70; 144,614.74 pesos if aged 70 to 75; or 154,299.05 pesos if older than age 75.

The maximum initial monthly permanent disability pension is 1,234,819 pesos.

Partial disability: For an assessed degree of disability of 40% to 69%, 35% of the insured's base salary is paid. A lump sum of up to 15 months of base salary is paid for an assessed degree of disability of 15% to 39%.

Benefit adjustment: Benefits are adjusted automatically each year according to changes in the consumer price index; earlier if the change in the consumer price index is at least 10% before the 12-month cycle ends.

Workers' Medical Benefits

Benefits include necessary medical, surgical, dental, and pharmaceutical services; hospitalization; prostheses; rehabilitation; transfer costs, and occupational retraining. Benefits are provided from the first day after the disability began or the diagnosis of the occupational disease until the person has recovered.

There is no limit to duration.

There is no cost sharing.

Survivor Benefits

Survivor pension

Spouse's pension: 50% of the permanent disability pension the deceased received or was entitled to receive is paid to a widow older than age 45 (at any age if disabled or caring for a child) or to a widower with a disability; 60% if there are no eligible children.

A widow(er) younger than age 45 receives a pension while receiving family benefits for legitimate children (for one year without family benefits). If a widow(er) caring for a child reaches age 45 during this period, the benefit is paid for life.

The minimum monthly spouse's pension is 85,827.30 pesos for a survivor younger than age 70 without children; 107,091.04 pesos from age 70. The minimum monthly spouse's pension is 71,792.39 pesos for a survivor younger than age 70 with children; 92,475.77 pesos from age 70.

The pension ceases upon remarriage and a lump sum of two years of the pension is paid.

Orphan's pension: 20% of the permanent disability pension the deceased received or was entitled to receive is paid for each child younger than age 18 (age 24 if a student, no limit if disabled); 50% for each full orphan.

The minimum monthly orphan's pension is 19,838.81 pesos.

The maximum combined survivor benefit is 100% of the permanent disability pension the deceased received or was entitled to receive.

Benefit adjustment: Benefits are adjusted automatically each year according to changes in the consumer price index; earlier if the change in the consumer price index is at least 10% before the 12-month cycle ends.

Funeral grant: A lump sum of up to three times the monthly non-remuneration minimum wage is paid.

The monthly non-remuneration minimum wage is 174,166 pesos.

Disability education grant: Eligible orphans who are students with an assessed degree of disability of 15% to 70% and with earnings lower than the legal monthly minimum wage receive a monthly benefit of 22.3% of the legal monthly minimum income used for other purposes.

The legal monthly minimum income used for other purposes is 174,166 pesos.

Administrative Organization

Ministry of Labor and Social Security, through the Superintendent of Social Security (<http://www.suseso.cl/>), provides general supervision.

Occupational Safety Institute (<http://www.isl.gob.cl/>) and the Employer's Mutuals (Asociación Chilena de Seguridad, Mutual de Seguridad de la Cámara Chilena de la Construcción, and Instituto de Seguridad del Trabajo) administer the program and collect contributions.

Unemployment

Regulatory Framework

First law: 1937.

Current laws: 1981 (unemployment) and 2001 (severance account system).

Type of program: Employment-related and mandatory individual account system.

Coverage

Employment related: Employed persons.

Exclusions: Self-employed persons.

Mandatory individual account: Employed persons hired on or after October 2, 2002.

Voluntary coverage for employed persons hired before October 2, 2002.

Exclusions: Household workers, apprentices, pensioners (unless partially disabled), self-employed persons, civil servants, and military personnel.

Source of Funds

Insured person

Employment related: None.

Mandatory individual account: 0.6% of monthly covered earnings plus an administrative fee of about 0.04% for workers with permanent contracts. Workers with fixed-term contracts do not contribute.

The maximum monthly earnings used to calculate contributions are 113.5 UFs (Unidad de Fomento). The ceiling is adjusted annually according to changes in real wages during the previous year.

The UF, an index that is adjusted daily according to monthly changes in the consumer price index, is 26,665.98 pesos.

Self-employed person

Employment related: Not applicable.

Mandatory individual account: Not applicable.

Employer

Employment related: None.

Mandatory individual account: 1.6% of monthly covered payroll for up to 11 years of service plus 0.8% to the Solidarity Severance Fund for employees with permanent contracts; 2.8% plus 0.2% to the Solidarity Severance Fund for employees with fixed-term contracts.

The maximum monthly earnings used to calculate contributions are 113.5 UFs. The ceiling is adjusted annually according to changes in real wages during the previous year.

The UF, an index that is adjusted daily according to monthly changes in the consumer price index, is 26,665.98 pesos.

Government

Employment related: The total cost, financed through the Unified Family Allowances and Unemployment Fund.

Mandatory individual account: An annual contribution to the Solidarity Severance Fund of 225,792 UTM (Unidad Tributaria Mensual). The UTM, a monthly tax indexed unit set by law, is 46,787 pesos.

Qualifying Conditions

Unemployment benefit (employment related): Must be involuntarily unemployed with at least 12 months or 52 weeks of contributions in the previous two years, registered for employment, and able and willing to work. The insured may not receive an employment-related benefit and an individual account benefit at the same time.

Unemployment benefit (mandatory individual account): Insured persons with permanent contracts must be involuntarily unemployed with at least 12 months of contributions. Insured persons with fixed-term contracts must have at least six months of contributions. In both cases, the period covers the time since they first joined the system or since the insured received the last unemployment benefit.

If the balance in the individual account is insufficient to pay a benefit, the insured is eligible for a benefit under the Solidarity Severance Fund if unemployment was involuntary and the insured has made at least 12 months of contributions in the last two years before unemployment began (the last three under the same employer); has not received more than 10 payments from the Solidarity Severance Fund in the last five years; is actively seeking employment, and is

available to take job interviews and receive training and temporary job offers.

Solidarity supplement: The insured must opt for payment of benefits under the Solidarity Severance Fund.

Unemployment Benefits

Unemployment benefit (employment related):

17,338 pesos a month is paid for the first 90 days; from 91 days to 180 days, 11,560 pesos a month; from 181 days to 360 days, 8,669 pesos a month.

Unemployment beneficiaries may continue to receive family allowances, maternity benefits, medical benefits and the funeral grant.

If the benefit ceases because the insured has started a new job before 360 days of benefits have been paid, but the insured subsequently becomes unemployed again, the insured may continue receiving the benefit for the remaining period, up to 360 days.

Unemployment benefit (mandatory individual account):

The number of monthly benefits paid depends on the individual account balance plus accrued interest. The benefit has a decreasing replacement rate of 70%, 55%, 45%, 40%, 35%, 30% and 30% (for the seventh and each subsequent monthly payment).

Workers under permanent contracts who are entitled to the Solidarity Severance Fund can receive up to five monthly benefits with a decreasing replacement rate of 70%, 55%, 45%, 40% and 35% on the average earnings in the last 12 months.

The minimum monthly benefit is 173,477 pesos for the first payment, 136,304 pesos for the second payment, 111,521 pesos for the third payment, 99,130 pesos for the fourth payment, 86,739 pesos for the fifth payment. Any subsequent payment is at least 74,347 pesos.

The maximum monthly benefit is 578,258 pesos for the first payment, 454,346 pesos for the second payment, 371,737 pesos for the third payment, 330,433 pesos for the fourth payment, 289,129 pesos for the fifth payment. Any subsequent payment is up to 247,825 pesos.

Workers under fixed-term contracts who are entitled to the Solidarity Severance Fund can receive up to three monthly benefits with a decreasing replacement rate of 50%, 40% and 35% on the average monthly earnings in the last 12 months.

The minimum monthly benefit is 123,912 for the first payment, 99,130 for the second payment, and 86,739 for the third payment pesos. Any subsequent payment is at least 74,347 pesos.

The maximum monthly benefit is 413,042 pesos for the first payment, 330,433 for the second payment, and 289,129 for the third payment. Any subsequent payment is up to 247,825 pesos.

For every month that the national unemployment rate is one percentage point greater than the national four-year average, all beneficiaries of the Solidarity Severance Fund who are due to collect their final payment are entitled to receive two additional months of benefits of 30% of the insured's average monthly earnings in the last 12 months.

If the insured dies before retirement, the accumulated capital is transferred to a named survivor. An insured person can withdraw the accumulated capital or transfer it to the individual pension account upon retirement (no taxes).

The insured can opt not to receive benefits from the Solidarity Severance Fund and only use their individual severance account. Unemployment beneficiaries may continue to receive family allowances, maternity benefits, and medical benefits.

Solidarity supplement: 10% of the monthly unemployment benefit is paid to the mandatory individual account for old-age, disability, and survivor benefits (see Old Age, Disability, and Survivors).

Benefits are paid 10 days after the claim is accepted.

Administrative Organization

Ministry of Labor and Social Welfare, through the Superintendent of Social Security (<http://www.suseso.cl/>), provides general supervision of the employment-related program.

Social Security Institute (<http://www.ips.gob.cl/>) and Family Allowance Compensation Funds administer the employment-related program.

Superintendent of Pensions (<http://www.safp.cl/>) provides general supervision of the mandatory individual account program.

AFC Chile (Sociedad Administradora de Fondos de Cesantía de Chile S.A.) (<https://www.afc.cl/>) administers the mandatory individual account program and collects contributions.

Family Allowances

Regulatory Framework

First laws: 1937 (salaried employees) and 1953 (wage earners).

Current laws: 1981 (family allowances for low-income persons); 1981 (wage earners and salaried employees), implemented in 1982; 2008 (social security reform); 2009 (social protection for children); 2012 (CCT); and 2014 (family allowances and maternity benefits).

Type of program: Employment-related and social assistance system.

Coverage

Employment related: Public- and private-sector workers; self-employed persons who contribute to old-age and

sickness schemes; pensioners; persons receiving work injury, temporary disability, or unemployment benefits; minors who are entrusted to adults by a judge; unemployed persons receiving benefits from the Solidarity Severance Fund; and persons in state institutions.

Social assistance: Needy families.

Families covered by the employment-related program can opt for social assistance family benefits.

Child benefit (Chile Crece Contigo, social assistance): Citizens of Chile.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost, financed through the Unified Family Allowances and Unemployment Fund (family allowances) and the Family Subsidy National Fund (family subsidy).

Qualifying Conditions

Family allowance (employment related, income tested): Paid to salaried insured persons with dependents and monthly average income of up to 645,400 pesos (rising to 659,744 pesos in January 2018).

Allowances are paid for children younger than age 18 (age 24 if a student; no limit if disabled), a wife, a husband with a disability, a widowed mother, stepchildren, orphaned or abandoned grandchildren and great-grandchildren, orphans, parents older than age 65 or disabled, and minors who are entrusted to adults by a judge.

Maternity allowance (employment related, income tested): Paid to pregnant salaried workers or to workers on behalf of their pregnant wives with an average monthly income of up to 645,400 pesos (rising to 659,744 pesos in January 2018).

Family subsidy (social assistance, means tested): Paid to vulnerable families with children younger than age 18 (no limit if disabled) or with mentally disabled family members who do not receive a disability pension. If mothers receive the benefit on account of their children, they are entitled to an additional subsidy.

Children older than age 6 must regularly attend primary, middle, or secondary school in recognized education institutions (unless disabled).

The family subsidy is not paid to individuals who receive the family allowance or the basic solidarity pension (see Old Age, Disability, and Survivors).

Means test: Must be included in the social registry of households as one of the 60% of most vulnerable families.

Maternity and pregnancy subsidy (social assistance, means tested): Paid to pregnant women not receiving a family subsidy.

Means test: Must be included in the social registry of the 60% most vulnerable households in Chile.

Family cash transfer (Ingreso Ético Familiar, social assistance, means tested): Paid to extremely poor families, vulnerable people aged 65 or older, homeless persons, and children younger than age 18 whose parents are incarcerated.

Bono Base Familiar: Paid to families enrolled in Ingreso Ético Familiar with a monthly per capita income below 37,729 a month in 2016.

Bono de Protección: Paid to all families enrolled in Ingreso Ético Familiar.

Bono Control del Niño Sano: Paid for children younger than age 6 who undergo regular medical examinations.

Bono por Asistencia Escolar: Paid for children aged 6 to 18. Each child must attend 85% of monthly classes in an official educational institution.

Bono por Logro Escolar: Paid for certain vulnerable children younger than age 24 who attend school and who score among the top 30% in their cohort in a school year.

Youth employment subsidy (employment related, income tested): Paid to vulnerable salaried and self-employed workers aged 18 to 25 included in the social registry of the 40% most vulnerable households in Chile and who do not work for the state or a quasi-public company. Must be paying contributions. Workers aged 21 to 25 must also have a high school diploma.

Income test: Must have a gross annual income below 5,439,369 pesos, or a monthly gross income below 453,281 pesos.

Women's work grant (employment related, income tested): Paid to vulnerable salaried and self-employed women aged 25 to 59 included in the social registry of the 40% most vulnerable households in Chile. Must be paying contributions.

Income test: Must have an annual gross income below 5,439,369 pesos, or a monthly gross income below 453,281 pesos.

Permanent family grant (Bono Marzo, social assistance): Paid to beneficiaries in the previous year of the family allowance, maternity allowance, family subsidy, or Ingreso Ético Familiar.

Child benefit (Chile Crece Contigo, social assistance): Paid for vulnerable children from pregnancy to age 4 who are delivered at public health centers.

Family Allowance Benefits

Family allowance (employment related, income tested): A monthly allowance is paid for each dependent according to the insured's income: 11,091 pesos with monthly earnings up to 283,312 pesos; 6,806 pesos with monthly earnings greater than 283,312 and up to 413,808 pesos; and 2,151 pesos with monthly earnings greater than 413,808 and up to 645,400 pesos.

All allowances are doubled for dependents with disabilities.

Maternity allowance (employment related, income tested): A family allowance is paid to a pregnant woman from conception until childbirth; only one allowance is paid for multiple births.

The allowance may be claimed from the fifth month of pregnancy and is paid retroactively.

Family subsidy (social assistance, means tested): 11,091 pesos a month is paid.

Maternity and pregnancy subsidy (social assistance, means tested): 11,091 pesos a month is paid.

Family cash transfer (Ingreso Ético Familiar, social assistance, means tested)

Bono Base Familiar: Up to 19,940 pesos a month is paid, depending on the family income, for up to 24 months after enrollment in the program (figures from 2016).

Bono de Protección: 16,195 pesos a month is paid during the first six months of enrollment in the program; 12,341 pesos from month seven to 12; 8,483 pesos from month 13 to 18; 10,844 pesos from month 19 to 24 (figures for 2016).

Bono Control del Niño Sano: 6,000 pesos a month is paid for up to 24 months; may be paid in addition to other subsidies or allowances.

Bono por Asistencia Escolar: 6,000 pesos a month is paid for up to 24 months; may be paid in addition to other subsidies or allowances.

Bono por Logro Escolar: A lump sum of 57,776 pesos is paid for students in the top 15% of their cohort; 34,666 pesos for students in the top 30% (as of September 2017).

Youth employment subsidy (employment related, income tested): The worker can choose a monthly or an annual benefit.

The annual amount depends on the insured's annual income: 20% of annual income is paid with annual income up to 2,417,497.61 pesos; 483,499.52 pesos with income of 2,417,497.62 to 3,021,872.28 pesos; 483,499.52 pesos minus 20% of the difference between annual income and 3,021,872.28 pesos with income of 3,021,872.29 to 5,439,368.82 pesos.

The monthly amount depends on the insured's monthly income: 20% of monthly income is paid with monthly

earnings up to 201,456.80 pesos; 40,291.36 pesos with earnings of 201,456.80 to 251,822.33 pesos; 40,291.36 pesos minus 20% of the difference between monthly earnings and 251,822.33 pesos with monthly earnings from 251,822.33 up to 453,281.27 pesos.

For monthly benefits, the employer receives a subsidy of 50% of the workers' monthly benefit for 24 months.

Women's work grant (employment related, income tested): The worker can choose a monthly or an annual benefit.

The annual amount depends on the insured's annual income: 20% of annual income is paid for income up to 2,417,497.61 pesos; 483,499.52 pesos with income of 2,417,497.62 to 3,021,872.28 pesos; 483,499.52 pesos minus 20% of the difference between annual income and 3,021,872.28 pesos with income of 3,021,872.28 to 5,439,368.82 pesos.

The monthly amount is paid for up to 4 years and depends on the insured's monthly income: 20% of monthly income is paid with monthly earnings up to 201,456.80 pesos; 40,291.36 pesos with earnings of 201,456.80 to 251,822.33 pesos; 40,291.36 pesos minus 20% of the difference between the monthly earnings and 251,822.33 pesos with monthly earnings from 251,822.33 up to 453,281.27 pesos.

In the case of monthly benefits, the employer receives a benefit that is 50% of the workers' monthly benefit for 24 months.

Permanent family grant (Bono Marzo, social assistance): 44,209 pesos a year is paid for each family member entitled to a family allowance or subsidy or a maternity allowance or subsidy; 44,209 pesos a year for each family enrolled in Ingreso Ético Familiar.

Child benefit (Chile Crece Contigo, social assistance): Benefits include a layette, free kindergarten counselling, and other services.

Benefit adjustment: All employment-related and social assistance benefits are adjusted on an ad hoc basis.

Administrative Organization

Ministry of Labor and Social Welfare, through the Superintendent of Social Security (<http://www.suseso.cl/>) provides general supervision.

Social Security Institute (<http://www.ips.gob.cl/>), Family Allowance Compensation Funds, individual pension fund management companies (AFPs), insurance companies, employer mutuals, and AFC Chile (Sociedad Administradora de Fondos de Cesantía de Chile S.A.) (<https://www.afc.cl/publico/index.html/>) administer the employment-related program.

Municipalities and the Social Security Institute (<http://www.ips.gob.cl/>) administer the social assistance program.