

## Dominican Republic

Exchange rate: US\$1.00 = 47.38 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1947.

**Current laws:** 2001 (social security), implemented in 2002; 2005 (contribution exemptions); 2007 (financing and investments); 2007 (settlement of arrears); and 2009 (amnesty for nonpayment of employer contributions).

**Type of program:** Mandatory individual account system.

Note: The pay-as-you-go social insurance system for private-sector workers was closed to new entrants in 2003 and is being phased out. It covers private-sector workers aged 45 or older in 2003 who chose to remain in the social insurance system and private-sector pensioners who began receiving their pensions before June 2003. Public-sector workers who opted not to join the individual account system remain in the separate social insurance system for public-sector workers.

Subsidized individual accounts for self-employed persons and other vulnerable groups have not yet been implemented.

The 2001 social security law introduced a social assistance old-age, disability, and survivor pension, which has not yet been implemented.

#### Coverage

Private-sector workers aged 45 or younger in 2003.

Voluntary coverage for Dominican citizens living abroad, public-sector workers, and private-sector workers older than age 45 in 2003.

Exclusions: Self-employed persons.

#### Source of Funds

**Insured person:** 2.87% of monthly covered earnings.

Of the total insured person and employer contributions (9.97%), 8.0% is allocated to the individual account, 1% to disability and survivor insurance, 0.5% to administrative fees, 0.4% to the solidarity fund, and 0.07% to the Superintendent of Pensions' operating costs.

The minimum monthly earnings used to calculate contributions are the minimum monthly covered salary.

The maximum monthly earnings used to calculate contributions are 20 times the minimum monthly covered salary.

The minimum monthly covered salary is 11,137 pesos.

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

**Employer:** 7.1% of monthly covered payroll.

Of the total insured person and employer contributions (9.97%), 8.0% is allocated to the individual account, 1% to disability and survivor insurance, 0.5% to administrative fees, 0.4% to the solidarity fund, and 0.07% to the Superintendent of Pensions' operating costs.

The minimum monthly earnings used to calculate contributions are the minimum monthly covered salary.

The maximum monthly earnings used to calculate contributions are 20 times the minimum monthly covered salary.

The minimum monthly covered salary is 11,137 pesos.

**Government:** Partially finances the guaranteed minimum pension; finances the value of accrued rights for those who made contributions under the social insurance system.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 30 years of contributions.

All gainful activity must cease.

Early pension: Age 55 if the individual account balance is sufficient to finance a pension equal to 150% of the minimum monthly old-age pension.

Unemployed worker's old-age pension: Aged 57 to 59, unemployed, and with at least 25 years of contributions (with less than 25 years, the insured can receive a pension based on the accumulated funds or continue contributing to reach 25 years).

Guaranteed minimum pension (Solidarity Fund): Age 65 with at least 25 years of contributions, and the individual account balance is insufficient to finance the minimum monthly old-age pension set by law.

The minimum monthly old-age pension is the lowest legal monthly minimum wage for private-sector workers.

The lowest legal monthly minimum wage for private-sector workers is 9,411.60 pesos (November 2017).

The old-age pension is not payable abroad.

**Disability pension:** Must have at least a 66.7% loss of earnings capacity as a result of a chronic illness or non-work-related injury and have exhausted sickness benefits.

Partial disability: Must have a loss of earnings capacity of greater than 50% but less than 66.7%.

A regional medical committee assesses the degree of disability. The national medical committee may revise, validate, or reject the decision of a regional medical committee.

The disability pension is payable abroad.

**Survivor pension:** The deceased received or was entitled to receive an old-age or disability pension at the time of death.

Eligible survivors include a widow(er) or partner and unmarried children younger than age 18 (age 21 if a full-time student, no limit if disabled).

The survivor pension is payable abroad.

### **Old-Age Benefits**

**Old-age pension:** The insured has two different payment options: a price-indexed annuity or programmed withdrawals. (The value of accrued rights under the social insurance system is combined with the individual account balance at retirement.)

**Early pension:** The insured has two different payment options: a price-indexed annuity or programmed withdrawals. (The value of accrued rights under the social insurance system is combined with the individual account balance at retirement.)

**Unemployed workers' old-age pension:** Calculated in the same way as the old-age pension.

**Guaranteed minimum pension (Solidarity Fund):** The difference between the individual account balance and the minimum monthly old-age pension set by law is paid.

The minimum monthly old-age pension is the lowest legal monthly minimum wage (private-sector workers) or the legal monthly minimum wage (public-sector workers).

The lowest legal monthly minimum wage for private-sector workers is 9,411.60 pesos (November 2017); the legal monthly minimum wage for public-sector workers is 5,117.50 pesos.

**Benefit adjustment:** Benefits are adjusted according to changes in the legal monthly minimum wage for public- and private-sector workers.

### **Permanent Disability Benefits**

**Disability pension:** 60% of the insured's average indexed earnings in the three years immediately before the disability began is paid. The disability pension is financed by disability insurance until retirement or death. The insurance company also pays a monthly contribution to the insured's individual account until retirement or death.

The disability pension ceases at the normal retirement age when the insured may access the individual account balance to purchase a price-indexed annuity or make programmed withdrawals.

**Partial disability:** 30% of the insured's average indexed earnings in the three years immediately before the disability began is paid.

There is no minimum or maximum disability pension.

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

### **Survivor Benefits**

**Survivor pension:** 60% of the deceased's average monthly indexed earnings in the last three years is paid. (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.)

The pension is paid for life to a spouse or partner older than age 55; for six years to a spouse or partner aged 50 to 55; or for five years to a spouse or partner younger than age 50.

If there are orphans, 50% of the survivor pension is paid to the spouse or partner and 50% is split among eligible orphans.

There is no minimum or maximum survivor pension.

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

### **Administrative Organization**

National Social Security Board (CNSS, <http://www.cnss.gob.do/>) provides overall governance of the social security system.

Superintendent of Pensions (SIPEN, <http://www.sipen.gob.do/>) provides general supervision and fiscal control.

Individual pension fund management companies administer the individual accounts and contract with insurance companies for disability and survivors insurance.

Treasury of Social Security (<http://www.tss.gov.do/>) collects contributions.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1947.

**Current laws:** 1948 (social insurance), implemented in 1949; and 2001 (social security), implemented in 2007.

**Type of program:** Social insurance and social assistance (medical benefits only) system.

#### **Coverage**

**Social insurance:** Employed persons and their spouses or partners, the insured's children up to age 18 (age 21 if a full-time student, no limit if disabled), and pensioners. Children older than age 21 and parents who are economically dependent on the insured may be covered.

Persons who are unemployed, needy, or disabled are covered for medical benefits only under a subsidized program.

**Exclusions:** Self-employed persons.

**Social assistance:** Needy citizens and residents of the Dominican Republic.

## Source of Funds

### Insured person

*Social insurance:* 3.04% of covered earnings.

The minimum monthly earnings used to calculate contributions are the minimum monthly covered salary.

The maximum monthly earnings used to calculate contributions are 10 times the minimum monthly covered salary.

The minimum monthly covered salary is 11,137 pesos.

*Social assistance:* None.

### Self-employed person

*Social insurance:* Not applicable.

*Social assistance:* None.

### Employer

*Social insurance:* 7.09% of covered payroll.

The minimum monthly earnings used to calculate contributions are the minimum monthly covered salary.

The maximum monthly earnings used to calculate contributions are 10 times the minimum monthly covered salary.

The minimum monthly covered salary is 11,137 pesos.

*Social assistance:* None.

### Government

*Social insurance:* None.

*Social assistance:* The total cost.

## Qualifying Conditions

**Cash sickness benefit (social insurance):** Must have at least 12 months of contributions or be a pensioner.

**Cash maternity benefit (social insurance):** Must have at least eight months of contributions in the 12 months before childbirth and must not work during the period in which the benefit is paid.

**Nursing allowance (social insurance):** Must have a salary of up to three times the legal monthly minimum wage.

The legal monthly minimum wage for private-sector workers ranges from 9,411.60 pesos to 15,447.60 pesos, depending on the type and size of business (November 2017); the legal monthly minimum wage for public-sector workers is 5,117.50 pesos.

**Medical benefits (social insurance):** Must be in covered employment for at least 30 days, except in case of an emergency and for child delivery.

**Medical benefits (social assistance, means tested):** Paid to unemployed persons and their families, disabled persons, indigent persons and their families, single mothers, and

persons older than age 60 with an income below the legal monthly minimum wage.

**Means test:** Must be classified as poor and vulnerable according to SIUBEN.

SIUBEN is a national registry used to target needy families according to a quality of life index.

## Sickness and Maternity Benefits

**Sickness benefit (social insurance):** 60% of the insured's earnings in the last six months (40% if hospitalized) is paid after a three-day waiting period, for up to 26 weeks.

**Maternity benefit (social insurance):** Three months of the insured's earnings is paid for 14 weeks, including seven weeks before and seven weeks after the expected date of childbirth.

**Nursing allowance (social insurance):** A percentage of the insured's monthly covered earnings is paid for up to 14 months after the child's birth: 33% with monthly earnings up to the legal monthly minimum wage; 12% with monthly earnings greater than one and up to two times the legal monthly minimum wage; and 6% for monthly earnings greater than two and up to three times the legal monthly minimum wage. In the case of multiple births, the allowance is paid for each child.

The legal monthly minimum wage for private-sector workers ranges from 9,411.60 pesos to 15,447.60 pesos, depending on the type and size of the business (November 2017); the legal monthly minimum wage for public-sector workers is 5,117.50 pesos.

## Workers' Medical Benefits

**Medical benefits (basic health plan, social insurance and social assistance):** Benefits include preventive, inpatient, outpatient, maternity, pediatric, emergency, surgery, and specialist care; medicine; and prostheses for persons with disabilities, according to a schedule in law.

**Cost sharing:** Prescription drugs are free for social assistance beneficiaries; beneficiaries insured under the mandatory individual account system (See Old Age, Disability, and Survivors) pay 30% of the cost.

## Dependents' Medical Benefits

**Medical benefits for dependents (basic health plan, social insurance and social assistance):** Medical benefits for dependents are the same as those for the insured. In-patient services for children are provided from the 45th day after birth until age 5. Benefits include nutrition, general care, and child development programs.

## Administrative Organization

National Social Security Board (CNSS) (<http://www.cnss.gob.do/>) provides overall governance of the social security system.

Treasury of Social Security (<http://www.tss.gov.do/>) collects contributions.

Directorate of Information and Protection of the Affiliates (DIDA) (<http://dida.gob.do/>) is protecting customer information.

Superintendent of Health and Labor Risks (<http://www.sisalril.gov.do/>) supervises the Health Risk Management Companies (ARS).

Individual pension fund management companies administer the individual accounts.

Health Risk Management Companies (ARS) administer the basic health plan and may be private, public, or mixed entities.

National Health Insurance (SENASA) administers the social assistance program.

## Work Injury

### Regulatory Framework

**First law:** 1932.

**Current law:** 2001 (social security), implemented in 2003.

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

### Coverage

Legal residents working for companies with more than three employees and public-sector employees.

Exclusions: Self-employed persons.

### Source of Funds

**Insured person:** None.

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

**Employer:** The total cost is financed through contributions that vary according to the assessed degree of risk. The average contribution is 1.2% of covered payroll.

There are no minimum earnings used to calculate contributions.

The maximum earnings used to calculate contributions are four times the minimum monthly covered salary.

The minimum monthly covered salary is 11,137 pesos.

**Government:** None; contributes as an employer.

### Qualifying Conditions

Must be assessed with a work injury or occupational disease.

## Temporary Disability Benefits

75% of the insured's base salary is paid after a three-day period of sick leave (paid by the employer), for up to 52 weeks. The disability is reassessed 30 days before the benefit expires to determine if the disability is permanent.

The base salary is the insured's average covered daily earnings in the six months before the injury occurred or occupational disease began. If the insured has less than six months of covered earnings, the base salary is 50% of the insured's total covered earnings.

## Permanent Disability Benefits

**Permanent disability pension:** 100% of the insured's base salary is paid for a severe total disability (a 100% assessed degree of disability, totally disabled, and in need of constant attendance); 70% for a permanent total disability (at least a 67% assessed degree of disability and unable to perform any occupation); 50% for a permanent total disability for usual occupation (a 50% to 66% assessed degree of disability and unable to perform usual occupation); and a lump sum of five to 10 times the base salary for a permanent partial disability for the current occupation (a 15% to 49% assessed degree of disability and at least a 50% loss of earning capacity).

The base salary is the insured's average covered earnings in the six months before the injury occurred or occupational disease began. If the insured has less than six months of covered earnings, the base salary is 50% of the insured's total covered earnings.

## Workers' Medical Benefits

Benefits include preventive, inpatient, outpatient, pediatric, emergency, surgery, and specialist care; medicine; rehabilitation; and prostheses for persons with disabilities, according to a schedule in law.

## 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(er) or partner aged 45 or older or disabled.

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

A lump sum of two years of the pension is paid to a widow(er) younger than age 45.

**Orphan's pension:** 20% of the permanent disability pension the deceased received or was entitled to receive is paid to each child younger than age 18 (age 21 if a full-time student, no limit if disabled).



### **Administrative Organization**

National Social Security Board (CNSS) (<http://www.cnss.gob.do/>) provides overall governance of the social security system.

Superintendent of Health and Labor Risks (SISALRIL) (<http://www.sisalril.gov.do/>) supervises Labor Risk Management Funds.

Labor Risk Management Funds (<http://www.arlss.gov.do/>) administer the work injury program.

### **Unemployment**

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#### **Regulatory Framework**

The 1993 labor code regulates severance pay for employees with at least three months of continuous employment. A lump sum of six days of the employee's salary is paid with at least three but less than six months of continuous employment; 13 days of salary with at least six but less than 12 months; 21 days of salary per year of service with at least one but less than five years; and 23 days of salary per year of service with at least five years.

#### **Family Allowances**

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##### **Regulatory Framework**

**First and current laws:** 2001 (social security), 2005 (conditional cash transfer), 2012 (conditional cash transfer consolidation), and 2013 (social assistance pensions regulations).

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

##### **Coverage**

**Single mother's pension (income tested):** Needy single mothers.

**Solidarity cash transfer (Progresando con Solidaridad, means tested):** Needy families.

##### **Source of Funds**

**Insured person:** None.

**Self-employed persons:** None.

**Employer:** None.

**Government:** The total cost.

##### **Qualifying Conditions**

**Single mother's pension (income tested):** Must be unemployed or have irregular income, and not be economically dependent on a person insured under the contributory social security system. Children must be younger than age 18 and attending school.

**Income test:** Must have an income below the legal monthly minimum wage.

The legal monthly minimum wage for private-sector workers ranges from 9,411.60 pesos to 15,447.60 pesos, depending on the type and size of business (November 2017); the legal monthly minimum wage for public-sector workers is 5,117.50 pesos.

**Solidarity cash transfer (Progresando con Solidaridad, means tested):** Paid to families that meet a series of requirements related to health, education, nutrition, civic responsibility, information and communication technology (ICT) literacy, and housing. For example, children must have a birth certificate and adults must have a national identity card; women aged 35 or older and men aged 40 or older must undergo annual medical examinations and be given information about reproductive and preventive health; illiterate adults and youths must learn to read; children must be enrolled in and pass each grade in primary and secondary school and not work; families must attend training activities on inclusion, violence prevention, ICT use, among others; and housing conditions must meet certain basic standards.

**Means test:** Must be classified as moderately or extremely poor according to SIUBEN.

SIUBEN is a national registry used to target needy families according to a quality of life index.

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

**Single mother's pension (income tested):** 60% of the legal monthly minimum wage for public-sector workers (plus a Christmas bonus) is paid.

The legal monthly minimum wage for public-sector workers is 5,117.50 pesos.

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

**Solidarity cash transfer (Progresando con Solidaridad, means tested):** 825 pesos a month is paid to the head of household for nutritional support; 150 pesos a month for each child aged 6 to 16 enrolled in the first to eighth years of basic education; 500 pesos a month for each child up to age 21 enrolled in the first or second year of secondary education; 750 pesos a month for each child up to age 21 enrolled in the third or fourth year of secondary education; 1,000 pesos a month for each child up to age 21 enrolled in technical education; and 500 pesos a month to university students.

##### **Administrative Organization**

###### **Single mother's pension**

National Social Security Board (CNSS, <http://www.cnss.gob.do/>) provides overall governance of the social security system.

Superintendent of Pensions (SIPEN, <http://www.sipen.gov.do/>) provides general supervision and fiscal control.

Provinces and municipalities administer the pensions under the supervision of CNSS and SIPEN.

**Solidarity cash transfer**

Cabinet for the Coordination of Social Policy, under the Vice Presidency, provides general oversight.

Progresando con Solidaridad (<http://progresandoconsolidaridad.gob.do/>) program office administers the solidarity cash transfer program.

Administrator of Social Subsidies (ADESS, <http://www.adess.gov.do/>) pays benefits.