

## Guatemala

Exchange rate: US\$1.00 = 7.69 quetzales.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1969 (social insurance), implemented on a national level in 1977; and 2005 (social pension).

**Current laws:** 2003 (social insurance) and 2005 (social pension).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employees of firms with at least three workers, persons employed in freight or passenger transport enterprises with at least one worker, and public-sector employees not covered by a special system.

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 ceasing covered employment.

Exclusions: Self-employed persons.

Special systems for military personnel and most public-sector employees.

**Social assistance:** Needy resident citizens of Guatemala.

#### Source of Funds

##### Insured person

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

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

The legal daily minimum wage ranges from 82.46 quetzales (export and maquila industry) to 90.16 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, which varies depending on income, with annual net income greater than 25,000 quetzales.

##### Self-employed person

**Social insurance:** Not applicable.

**Social assistance:** None.

#### Employer

**Social insurance:** 3.67% of gross monthly covered payroll.

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

The legal daily minimum wage ranges from 82.46 quetzales (export and maquila industry) to 90.16 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, which varies depending on income, for individuals with annual net income greater than 25,000 quetzales or legal entities with annual net income greater than 100,000 quetzales.

#### Government

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

**Social assistance:** Provides subsidies as needed.

#### Qualifying Conditions

**Old-age pension (Pensión por vejez, social insurance):**

Age 60 with at least 240 months of contributions.

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

The old-age pension is not payable abroad.

**Old-age settlement (Asignación única, social insurance):**

Age 60 with at least 12 months but less than 240 months of contributions.

Employment must cease.

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, living in conditions of extreme poverty or with a disability, not working, and not receiving any other pension.

Means test: Personal income and assets must not exceed certain limits.

The old-age social pension is not payable abroad.

**Disability pension (Pensión de invalidez, social insurance):**

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

A medical board of the Social Security Institute assesses and reviews the degree of disability every year.

Dependent's supplement: Paid for a spouse or cohabiting partner, children younger than age 18 (no limit if disabled), a dependent mother not receiving any other pension, and a disabled dependent father not receiving any other pension.

Constant-attendance supplement (Gran invalidez): 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 (Pensión de sobrevivientes, social insurance):** The deceased received or was entitled to receive an old-age or disability pension at the time of death, or had at least 36 months of contributions in the last six years

Eligible survivors include a widow, a widower with no work capacity, orphans younger than age 18 (no limit if disabled), a dependent mother not receiving any other pension, and a disabled dependent father not receiving any other pension.

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

The survivor pension is not payable abroad.

**Funeral grant (Cuota mortuaria, social insurance):** The deceased received or was entitled to receive an old-age or disability pension, or was receiving a survivor pension at the time of death.

The funeral grant cannot be combined with the death grant under Work Injury.

### Old-Age Benefits

**Old-age pension (Pensión por vejez, social insurance):** 50% of the insured's average monthly earnings in the last 60 months plus 0.5% for every six months 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 9,000 quetzales.

The minimum monthly old-age pension, including supplements, is 340 quetzales.

The maximum monthly old-age pension, including supplements, is 7,200 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 based on actuarial reviews.

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

The maximum monthly earnings used to calculate benefits are 9,000 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 (Pensión de invalidez, social insurance):** 50% of the insured's average monthly earnings in the last 60 months plus 0.5% for every six months 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 maximum monthly earnings used to calculate benefits are 9,000 quetzales.

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

The maximum monthly old-age pension, including supplements, is 7,200 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 depending on financial resources.

### Survivor Benefits

**Survivor's pension (Pensión de sobrevivientes, 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 orphan; 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.

## Guatemala

---

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. Benefit adjustment: Benefits are adjusted periodically based on actuarial reviews.

**Funeral grant (Cuota mortuoria, social insurance):** A lump sum of up to 1,237.50 quetzales is paid.

Benefit adjustment: Benefits are adjusted periodically based on 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/>) collects contributions and administers the social insurance program.

Ministry of Labor and Social Welfare (<http://www.mintrabajo.gob.gt/>) administers the social assistance program.

### Sickness and Maternity

---

#### Regulatory Framework

**First law:** 1952 (maternity and children).

**Current laws:** 1964 (sickness, maternity, and medical benefits), 2009 (household workers), and 2010 (dependent's medical benefits).

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

#### Coverage

**Cash benefits:** Public- and private-sector employees working in firms with at least three workers, and persons employed in freight or passenger transport enterprises with at least one worker.

**Medical benefits:** Public- and private-sector employees working in firms with at least three workers; persons employed in freight or passenger transport enterprises with at least one worker; pensioners, including former public-sector employees receiving a pension under a special system; and certain unemployed persons.

Exclusions: Self-employed persons and certain high-ranking elected or appointed officials.

Special systems for military personnel and 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; finances medical benefits for former public-sector employees receiving a pension under a special system; 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 program before August 5, 2005) of contributions in the six months before the incapacity began.

**Funeral grant (Cuota mortuoria por enfermedad):** Paid when an insured person or a dependent wife entitled to maternity medical benefits dies. The insured must have at least four months of contributions in the six months before death.

**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.

Eligible dependents include a dependent wife or cohabiting partner and children younger than age 7.

**Maternity medical benefits:** Provided to an insured woman and the dependent wife or cohabiting partner of an insured man.

#### 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 sickness benefit is 12 quetzales.

The maximum daily sickness 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. The benefit is paid for up to 27 days in case of miscarriage.

Nursing mothers are permitted one hour a day at work to nurse their children, for up to 10 months.

**Funeral grant (Cuota mortuoria por enfermedad):** A lump sum of up to 1,237.50 quetzales is paid.

#### Workers' Medical Benefits

**Medical benefits:** Benefits include general, specialist, and dental care; maternity care; surgery; hospitalization;

medicine; laboratory services; X-rays; appliances; transportation; rehabilitation; and retraining. Unemployed persons may receive medical benefits for up to two months after ceasing employment.

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

**Maternity medical benefits:** Benefits include prenatal consultations, family planning, gynecology, obstetrics, and postnatal care.

### **Dependents' Medical Benefits**

**Medical benefits:** The wife or partner of an insured man receives the same accident benefits as an insured person in all parts of the country, and sickness benefits in 21 of the 22 administrative departments.

Children younger than age 7 receive general and specialist medical care, hospitalization, dental care, vaccinations, and cochlear implants.

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

**Maternity medical benefits:** Benefits are the same for the wife or partner of an insured man..

### **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 laws:** 1964 (medical benefits); 1994 (work-related and nonwork-related accidents), implemented in 1995; and 2009 (household workers).

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

### **Coverage**

Public- and private-sector employees in firms with at least three workers, and persons employed in freight or passenger transport enterprises with at least one worker; and certain unemployed persons.

Exclusions: Self-employed persons and certain high-ranking elected or appointed officials .

Special systems military personnel 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 earnings; contributes as an employer.

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

### **Qualifying Conditions**

Benefits are provided for work-related and nonwork-related accidents or occupational diseases. For cash benefits, the insured must have at least three months of contributions before the work injury or occupational disease began. For medical benefits, there is no minimum qualifying period if the insured is in covered employment; unemployed persons must have at least three 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 from the second day of incapacity until recovery.

The minimum daily temporary disability benefit is 12 quetzales.

The maximum daily temporary disability 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 based on the assessed degree of disability.

A medical board of the Social Security Institute assesses the degree of disability.

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

Work injury benefits can be combined with the disability pension under Old Age, Disability, and Survivors.

### **Workers' Medical Benefits**

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

### ***Survivor Benefits***

**Death grant (Cuota mortuoria por accidente):** A lump sum of up to 1,237.50 quetzales is paid.

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***

The 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 payment amount is one month of the employee's earnings for each year of continuous employment and is reduced proportionately for fractions of a year.