

Mexico

Exchange rate: US\$1.00 = 19.175 pesos.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1943 (social insurance).

Current laws: 1973 (social insurance); 1995 (individual accounts), implemented in 1997; 2004 (social development).

Type of program: Universal, social insurance, mandatory individual account, and social assistance system.

Note: The pay-as-you-go social insurance program was closed to new entrants on July 1, 1997, and is being phased out. At retirement or in case of disability, private-sector employees covered by the social insurance program before July 1, 1997, can choose to receive benefits from either the social insurance program or the mandatory individual account program. (The government receives the account balances and pays benefits for workers who opt for social insurance benefits.)

Coverage

Universal and social assistance: Resident citizens of Mexico.

Mandatory individual account and social insurance: Private-sector employees and members of cooperatives.

Voluntary coverage for family workers, certain self-employed persons and unpaid workers, household workers, employers, tenant and community farmers, small landowners, and public-sector employees who are not covered under any other program.

Special social insurance systems for petroleum workers, certain public-sector employees, and military personnel.

Source of Funds

Insured person

Universal and social assistance: None.

Mandatory individual account and social insurance: 1.125% of daily covered earnings (old age) plus 0.625% of daily covered earnings (disability and survivors).

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

The legal daily minimum wage is 102.68 pesos; 176.72 pesos in municipalities by the northern country border (January 2019).

The maximum monthly earnings used to calculate contributions are 25 times the daily UMA (Unidad de Medida y Actualización).

The daily UMA is 84.49 pesos (February 2019).

The insured person's contributions also finance the marriage grant under Family Allowances.

Self-employed person

Universal and social assistance: None.

Mandatory individual account and social insurance: 6.275% of daily covered earnings (old age) plus 2.375% of daily covered earnings (disability and survivors).

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

The legal daily minimum wage is 102.68 pesos; 176.72 pesos in municipalities by the northern country border (January 2019).

The maximum monthly earnings used to calculate contributions are 25 times the daily UMA (Unidad de Medida y Actualización).

The daily UMA is 84.49 pesos (February 2019).

The self-employed person's contributions also finance the marriage grant under Family Allowances.

Employer

Universal and social assistance: None.

Mandatory individual account and social insurance: 5.15% of daily covered payroll (old age) plus 1.75% of daily covered earnings (disability and survivors).

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

The legal daily minimum wage is 102.68 pesos; 176.72 pesos in municipalities by the northern country border (January 2019).

The maximum monthly earnings used to calculate contributions are 25 times the daily UMA (Unidad de Medida y Actualización).

The daily UMA is 84.49 pesos (February 2019).

The employer's contributions also finance the marriage grant under Family Allowances.

Government

Universal and social assistance: The total cost.

Mandatory individual account and social insurance: 0.225% of daily covered earnings plus an average flat-rate daily amount of 5.17 pesos (2018) to the individual account for insured persons with earnings up to 15 times the UMA (Unidad de Medida y Actualización) (old age); 0.125% of daily covered earnings (disability and survivors); the total cost of the guaranteed minimum pension.

The daily UMA is 84.49 pesos (February 2019).

Qualifying Conditions

Old-age pension (Pensión para el Bienestar de las Personas Adultas Mayores, universal): Age 68 (age 65 for indigenous persons and persons who were receiving the old-age social pension as of December 2018).

Old-age pension (Pensión de vejez, mandatory individual account): Age 65 with at least 1,250 weeks of contributions.

If the insured has less than 1,250 weeks of contributions, he or she can continue contributing or claim an old-age settlement.

Early pension (Pensión anticipada): Paid at any age if the account balance is sufficient to finance a monthly pension of at least 30% of the legal monthly minimum pension and any survivor pensions.

The legal monthly minimum pension is 3,123.18 pesos.

Unemployed worker's old-age pension (Pensión de cesantía en edad avanzada): Age 60 with at least 1,250 weeks of contributions and unable to find suitable paid employment.

Guaranteed minimum pension (Pensión mínima garantizada): Age 65 (age 60 if unemployed and unable to find suitable paid employment) with at least 1,250 weeks of contributions, and the individual account balance is insufficient to finance the legal monthly minimum pension.

Dependent's supplement (Ayuda por carga familiar): Paid for a female spouse or partner, children up to age 16 (age 25 if a student; no limit if disabled), or dependent parents (if the pensioner has no spouse, partner, or child).

Benefits are payable abroad under reciprocal agreement. The insured must pay the corresponding administrative costs. If leaving Mexico permanently, the pensioner may request a lump sum of two years of the pension.

Old-age pension (Pensión de vejez, social insurance): Age 65 with at least 500 weeks of contributions.

Employment must cease.

Unemployed worker's old-age pension (Pensión de cesantía en edad avanzada): Age 60 with at least 500 weeks of contributions and unable to find suitable paid employment.

Dependent's supplement (Ayuda por carga familiar): Paid for a female spouse or partner, children up to age 16 (age 25 if a student; no limit if disabled), or dependent parents (if the insured has no spouse, partner, or child).

Constant-attendance allowance (Ayuda asistencial): Paid if the insured requires the constant attendance of others to perform daily functions.

Benefits are payable abroad under reciprocal agreement. The insured must pay the corresponding administrative costs. If leaving Mexico permanently, the pensioner may request a lump sum of two years of the pension.

Old-age settlement (Retiro del saldo, mandatory individual account): Age 65 (age 60 if unemployed and

unable to find suitable paid employment) with less than 1,250 weeks of contributions.

Disability pension (Pensión de invalidez, mandatory individual account): Must have at least a 75% assessed loss of earning capacity based on normal earnings in the last year of work and at least 150 weeks of contributions; or a 50% to 74% assessed loss of earning capacity and at least 250 weeks.

Dependent's supplement (Ayuda por carga familiar): Paid for a female spouse or partner, children up to age 16 (age 25 if a student; no limit if disabled), or dependent parents (if the insured has no spouse, partner, or child).

Constant-attendance allowance (Ayuda asistencial): Paid if the insured requires the constant attendance of others to perform daily functions.

Guaranteed minimum pension (Pensión mínima garantizada): Must meet the contribution requirements for an individual account disability pension and have an account balance that is insufficient to finance the legal monthly minimum pension.

The legal monthly minimum pension is 3,123.18 pesos.

Mexican Social Security Institute assesses the loss of earning capacity.

Benefits are payable abroad under reciprocal agreement. The insured must pay the corresponding administrative costs. If leaving Mexico permanently, the pensioner may request a lump sum of two years of the pension.

Disability pension (Pensión de invalidez, social insurance): Must have at least a 50% assessed loss of earning capacity based on normal earnings in the last year of work and have at least 150 weeks of contributions.

The insured may continue to work in a different job and with a different employer after a six-month waiting period.

Dependent's supplement (Ayuda por carga familiar): Paid for a female spouse or partner, children up to age 16 (age 25 if a student; no limit if disabled), or dependent parents (if the pensioner has no spouse, partner, or child).

Constant-attendance allowance (Ayuda por carga familiar): Paid if the insured requires the constant attendance of others to perform daily functions.

Mexican Social Security Institute assesses the loss of earning capacity.

Benefits are payable abroad under reciprocal agreement. The insured must pay the corresponding administrative costs. If leaving Mexico permanently, the pensioner may request a lump sum of two years of the pension.

Survivor pension (Pensión de sobrevivientes, mandatory individual account and social insurance): The deceased received or was entitled to receive an old-age or disability pension or had at least 150 weeks of contributions at the time of death. The death must not be the result of an occupational injury.

Eligible survivors include a widow(er) or cohabiting partner with children; a widow(er) without children who was married to the deceased for at least six months if the deceased was younger than age 55 at the time of marriage (at least 12 months if the deceased was aged 55 or older at the time of marriage or if the deceased received or was entitled to receive an old-age or disability pension); a cohabiting partner without children who lived with the deceased for at least five years; orphans up to age 16 (age 25 if a student; no limit if disabled); and dependent parents if there are no other eligible survivors. The widower or male partner must be economically dependent on the deceased.

Constant-attendance allowance (Ayuda asistencial): Paid if a widow(er) receiving a survivor pension requires the constant attendance of others to perform daily functions.

The widower(er) or partner's pension ceases upon remarriage or cohabitation.

Remarriage settlement (Asignación por nuevo matrimonio): Paid to a widow(er) or partner receiving a survivor pension upon remarriage or cohabitation.

Benefits are payable abroad under reciprocal agreement. The insured must pay the corresponding administrative costs. If leaving Mexico permanently, the pensioner may request a lump sum of two years of the pension.

Funeral grant (Ayuda para gastos de funeral, social insurance): The deceased had at least 12 weeks of contributions in the last nine months or received or was entitled to receive an old-age or disability pension at the time of death.

Survivor grant (Apoyo Económico de Pago de Marcha, Pensión para el Bienestar de las Personas Adultas Mayores, social assistance, income tested): Paid to a beneficiary named by a deceased person who was receiving a universal old-age pension. If there is no named beneficiary, no survivor grant is paid.

The named beneficiary must not have received or be receiving a survivor pension or funeral grant.

Old-Age Benefits

Old-age pension (Pensión para el Bienestar de las Personas Adultas Mayores, universal): 1,275 pesos a month is paid.

Schedule of payments: The old-age pension is paid every two months.

Old-age pension (Pensión de vejez, mandatory individual account): The insured has two different payment options: purchase an annuity or make programmed withdrawals.

Early pension (Pensión anticipada): The insured has two different payment options: purchase an annuity or make programmed withdrawals.

Unemployed worker's old-age pension (Pensión de cesantía en edad avanzada): Calculated in the same way as the individual account old-age pension.

Guaranteed minimum pension (Pensión mínima garantizada): The difference between the monthly old-age pension financed by the account balance and the legal monthly minimum pension is paid.

The legal monthly minimum pension is 3,123.18 pesos.

Dependent's supplement (Ayuda por carga familiar): 15% of the old-age pension is paid for a female spouse or partner; 10% for each eligible child; and 10% for each dependent parent.

Schedule of payments: Twelve monthly payments a year plus a 13th payment for Christmas (one month of the old-age pension without supplements).

Benefit adjustment: Benefits are adjusted annually in February based on changes in the consumer price index.

Old-age pension (Pensión de vejez, social insurance): A variable percentage (inversely proportional to earnings) of the insured's average earnings used to calculate the last 250 weeks of contributions is paid plus an increment for each year of contributions exceeding 500 weeks.

Unemployed worker's pension (Pensión de cesantía en edad avanzada): Calculated in the same way as the social insurance old-age pension.

The legal monthly minimum pension is 3,123.18 pesos.

Dependent's supplement (Ayuda por carga familiar): 15% of the old-age pension is paid for a female spouse or partner; 10% for each eligible child; and 10% for each dependent parent.

Constant-attendance allowance (Ayuda asistencial): Up to 20% of the old-age pension is paid.

Schedule of payments: Twelve monthly payments a year plus a 13th payment for Christmas (one month of the old-age pension without supplements).

Benefit adjustment: Benefits are adjusted annually in February based on changes in the consumer price index.

Old-age settlement (Retiro del saldo, mandatory individual account): A lump sum of the insured's total account balance is paid.

Permanent Disability Benefits

Disability pension (Pensión de invalidez, mandatory individual account): 35% of the insured's average adjusted earnings used to calculate the last 500 weeks of contributions is paid.

If the account balance exceeds the amount needed to finance the legal monthly minimum pension, the insured may withdraw the excess amount and use it to purchase an annuity or apply it to survivor benefits.

The legal monthly minimum pension is 3,123.18 pesos.

Dependent's supplement (Ayuda por carga familiar): 15% of the disability pension is paid for a female spouse or partner; 10% for each eligible child; and 10% for each dependent parent.

Constant-attendance allowance (Ayuda asistencial): Up to 20% of the disability pension is paid.

Guaranteed minimum pension (Pensión mínima garantizada): The difference between the monthly disability pension financed by the account balance and the legal monthly minimum pension is paid.

Schedule of payments: Twelve monthly payments a years plus a 13th payment for Christmas (one month of the disability pension without supplements).

Benefit adjustment: Benefits are adjusted annually in February based on changes in the consumer price index.

Disability pension (Pensión de invalidez, social insurance): A variable percentage (inversely proportional to earnings) of the insured's average earnings used to calculate the last 250 weeks of contributions is paid plus an increment for each year of contributions exceeding 500 weeks.

Dependent's supplement (Ayuda por carga familiar): 15% of the social insurance disability pension is paid for a female spouse or partner, 10% for each eligible, and 10% for each dependent parent.

The legal monthly minimum pension is 3,123.18 pesos.

Constant-attendance allowance (Ayuda asistencial): Up to 20% of the disability pension is paid.

Schedule of payments: Twelve monthly payments a years plus a 13th payment for Christmas (one month of the disability pension without supplements).

Benefit adjustment: Benefits are adjusted annually in February based on changes in the consumer price index.

Survivor Benefits

Survivor pension (Pensión de sobrevivientes, mandatory individual account and social insurance)

Spouse's pension (Pensión de viudez): 90% of the old-age or disability pension the deceased received or was entitled to receive is paid.

Constant-attendance allowance (Ayuda asistencial): Up to 20% of the spouse's pension may be paid to a widow(er) or a partner.

Remarriage settlement (Asignación por nuevo matrimonio): A lump sum of three years of the spouse's pension is paid.

Orphan's pension (Pensión de orfandad): 20% of the old-age or disability pension the deceased received or was entitled to receive is paid for each eligible orphan; 30% for a full orphan. When the eligibility of an orphan ceases, he or she receives a final benefit of three months of the deceased's pension.

Dependent parent's pension (Pensión de ascendientes): If there is no eligible widow(er), partner, or orphan, 20% of the old-age or disability pension the deceased received or was entitled to receive is paid for each dependent parent.

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

The amount paid may be recalculated if the number of eligible survivors changes.

Funeral grant (Ayuda para gastos de funeral, social insurance): A lump sum of 60.8 days of the daily UMA (Unidad de Medida y Actualización) is paid.

The daily UMA is 84.49 pesos (February 2019).

Benefit adjustment: Benefits are adjusted annually in February based on changes in the consumer price index.

Survivor grant (Apoyo Económico de Pago de Marcha, Pensión para el Bienestar de las Personas Adultas Mayores, social assistance, income tested): A lump sum of 1,275 pesos is paid.

Administrative Organization

Secretariat for Welfare (<https://www.gob.mx/bienestar>) oversees and coordinates the universal and social assistance programs.

Mexican Social Security Institute (<http://www.imss.gob.mx>), managed by a general assembly, technical council, oversight commission, and director general, administers the universal, social insurance, and social assistance programs, collects contributions, and oversees the mandatory individual account program.

National Commission for the Retirement Savings System (<https://www.gob.mx/consar>) supervises the pension fund management companies.

Individual pension fund management companies administer the individual accounts.

Sickness and Maternity

Regulatory Framework

First law: 1943 (social insurance).

Current laws: 1973 (social insurance); 1995 (social insurance), implemented in 1997; and 2004 (social development).

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

Coverage

Social insurance (cash benefits): Private-sector employees, members of cooperatives, tenant and community farmers, and certain small landowners.

Social insurance (medical benefits): Private-sector employees and members of cooperatives.

Voluntary coverage for family workers, certain self-employed persons and unpaid workers, household workers, employers, tenant and community farmers, certain small landowners, and public-sector employees who are not covered under any other program.

Social assistance: Needy residents of Mexico.

Source of Funds

Insured person

Social insurance (cash benefits): 0.25% of monthly covered earnings.

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

The legal daily minimum wage is 102.68 pesos; 176.72 pesos in municipalities by the northern country border (January 2019).

The maximum monthly earnings used to calculate contributions are 25 times the daily UMA.

The daily UMA is 84.49 pesos (January 2019).

Social insurance (medical benefits): 0.40% of monthly covered earnings exceeding three times the UMA (Unidad de Medida y Actualización) plus 0.375% of monthly covered earnings (pensioners' medical benefits).

The voluntarily insured pay 20.40% of the UMA (Unidad de Medida y Actualización) (of covered earnings for public-sector and household workers).

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

The legal daily minimum wage is 102.68 pesos; 176.72 pesos in municipalities by the northern country border (January 2019).

The maximum monthly earnings used to calculate contributions are 25 times the daily UMA.

The daily UMA is 84.49 pesos (January 2019).

Social assistance: None.

Self-employed person

Social insurance (cash benefits): Not applicable.

Social insurance (medical benefits): 20.40% of the UMA (Unidad de Medida y Actualización) plus 1.425% of covered earnings exceeding three times the legal monthly minimum wage (pensioners' medical benefits).

The legal daily minimum wage is 102.68 pesos; 176.72 pesos in municipalities by the northern country border (January 2019).

The daily UMA is 84.49 pesos (January 2019).

Social assistance: None.

Employer

Social insurance (cash benefits): 0.70% of monthly covered payroll.

Social insurance (medical benefits): 20.40% of the UMA (Unidad de Medida y Actualización) per employee, plus 1.1% of covered earnings exceeding three times the UMA (pensioners' medical benefits).

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

The legal daily minimum wage is 102.68 pesos; 176.72 pesos in municipalities by the northern country border (January 2019).

The maximum monthly earnings used to calculate contributions are 25 times the daily UMA.

The daily UMA is 84.49 pesos (January 2019).

Social assistance: None.

Government

Social insurance (cash benefits): 0.05% of monthly covered earnings.

Social insurance (medical benefits): A flat-rate contribution of 11.82 pesos a month per covered day and per insured person, plus 0.075% of monthly covered earnings (pensioners' medical benefits).

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

The maximum monthly earnings used to calculate contributions are 25 times the daily UMA (Unidad de Medida y Actualización).

The legal daily minimum wage is 102.68 pesos; 176.72 pesos in municipalities by the northern country border (January 2019).

The daily UMA is 84.49 pesos (February 2019).

Social assistance: The total cost.

Qualifying Conditions

Cash sickness benefit (Subsidio por enfermedad o accidente general, social insurance): Must have at least four weeks of contributions immediately before the incapacity began; for casual workers, at least six weeks of contributions in the last four months.

Cash maternity benefit (Subsidio por maternidad, social insurance): Must have at least 30 weeks of contributions in the 12 months before the benefit is first paid and not work for 42 days before and 42 days after childbirth. The Social Security Institute must confirm the expected date of childbirth.

Nursing allowance (Subsidio por lactancia, social insurance): Paid to the wife or partner of an insured person for the birth of a child.

Medical benefits (social insurance): Must be currently insured, a pensioner, or an eligible dependent. Pensioners must have at least 750 weeks of contributions. Coverage is extended for unemployed persons and their eligible dependents for up to eight weeks if the insured has at least eight weeks of continuous contributions immediately before covered employment ceases.

Eligible dependents include a wife, a dependent husband, a cohabiting partner who has lived with the insured for the five years immediately before the illness began or who has children with the insured (as long as both partners are unmarried), children younger than age 16 (age 25 if a student; no limit if disabled or chronically ill and unable to work), and dependent parents.

Medical benefits (Programa Pensión para el Bienestar de las Personas Adultas Mayores, social assistance): Provided to needy persons without access to other medical benefits, especially in rural and underserved urban areas.

Sickness and Maternity Benefits

Sickness benefit (Subsidio por enfermedad o accidente general, social insurance): 60% of the insured's last monthly covered earnings is paid after a three-day waiting period for up to 52 weeks; may be extended to 78 weeks under certain conditions.

Maternity benefit (Subsidio por maternidad, social insurance): 100% of the insured's last monthly covered earnings is paid for 42 days before and 42 days after the expected date of childbirth.

Nursing allowance (Subsidio por lactancia, social insurance): In-kind assistance is provided for up to six months after childbirth.

Workers' Medical Benefits

Medical benefits (social insurance): The health facilities of the Mexican Social Security Institute (IMSS) normally provide medical services directly to patients; IMSS reimburses the cost of services when it cannot provide them directly. Benefits include general, maternity, dental, and specialist care; surgery; hospitalization or care in a convalescent home; medicine; laboratory services; and dental care. Benefits are paid for up to 52 weeks; may be extended for an additional 52 weeks.

Medical benefits (Programa Pensión para el Bienestar de las Personas Adultas Mayores, social assistance): Certain medical benefits are provided through rural hospitals, rural and urban medical units, obstetric care centers, and health brigades.

Dependents' Medical Benefits

Medical benefits (social insurance): Benefits for dependents are the same as those for the insured.

Medical benefits (Programa Pensión para el Bienestar de las Personas Adultas Mayores, social assistance): Benefits for dependents are the same as those for the primary beneficiary.

Administrative Organization

Secretariat of Welfare (<https://www.gob.mx/bienestar>), through the Undersecretary of Social and Human Development, oversees and coordinates the administration of the social assistance medical benefits.

Mexican Social Security Institute (<http://www.imss.gob.mx>), managed by a general assembly, technical council, oversight commission, and director general, administers the social insurance program and collects contributions.

Mexican Social Security Institute operates its own hospitals, clinics, pharmacies, and other medical facilities and contracts for the use of some facilities.

Work Injury

Regulatory Framework

First law: 1943 (social insurance).

Current law: 1995 (social insurance), implemented in 1997.

Type of program: Social insurance system.

Coverage

Private-sector employees and members of cooperatives.

Voluntary coverage for family workers, certain self-employed persons and unpaid workers, household workers, employers, tenant and community farmers, certain small landowners, and public-sector employees who are not covered under any other program.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: 0.5% to 15% of covered payroll, depending on the assessed degree of risk.

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

The legal daily minimum wage is 102.68 pesos; 176.72 pesos in municipalities by the northern country border (January 2019).

The maximum monthly earnings used to calculate contributions are 25 times the daily UMA.

The daily UMA is 84.49 pesos (February 2019).

Government: None.

Qualifying Conditions

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

Temporary Disability Benefits

100% of the insured's monthly covered earnings at the time the disability began is paid from the first day of the disability until certification of permanent disability (which should take place within 52 weeks).

Permanent Disability Benefits

Permanent disability pension (Pensión por incapacidad permanente): For a total (100%) disability, 70% of the insured's average monthly covered earnings in the last 52 weeks (or over the whole contribution period, if shorter) before the disability began is paid.

Constant-attendance allowance (Ayuda asistencial): Up to 20% of the permanent disability pension is paid if the insured requires the constant attendance of others to perform daily functions.

Dependent's supplement (Ayuda por carga familiar): 15% of the permanent disability pension is paid for a wife or partner; 10% for each child younger than age 16 (age 25 if a student; no limit if disabled); and 10% for each dependent parent.

Partial disability: For an assessed degree of disability greater than 50% but less than 100%, a percentage of the full permanent disability pension is paid depending on the assessed degree of disability. For an assessed degree of disability of 26% to 50%, the insured has two different payment options: a percentage of the full permanent disability pension paid based on the assessed degree of disability or a lump sum of five years of the insured's pension. For an assessed degree of disability of 25% or less, a lump sum of five years of the permanent disability pension is paid.

Christmas bonus (Aguinaldo anual): A supplement of 15 days of the insured's pension is paid for an assessed degree of disability of more than 50%.

The degree of disability may be assessed and revised during the first two years; thereafter, a permanent pension is paid based on the assessed the degree of disability.

Benefits are payable abroad under reciprocal agreement. The insured must pay the corresponding administrative costs. If leaving Mexico permanently, the pensioner may request a lump sum of two years of the pension.

Benefit adjustment: Benefits are adjusted annually in February based on changes in the consumer price index.

Workers' Medical Benefits

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

Survivor Benefits

Survivor pension

Spouse's pension: 40% of the permanent disability pension the deceased received or would have received for a total disability is paid to a widow(er) or surviving partner. The widower or male partner must be economically dependent on the deceased.

The pension ceases if the widow(er) or partner (re)marries or cohabits with a new partner.

Remarriage settlement: A lump sum of three years of the pension is paid to a widow(er) or surviving partner upon (re)marriage or cohabitation.

Orphan's pension: 20% of the permanent disability pension the deceased received or would have received for a total disability is paid for each orphan younger than age 16 (age 25 if a student; no limit if disabled); 30% for a full orphan. When the eligibility of an orphan ceases, he or she receives a final benefit of three months of the deceased's pension.

Dependent parent's pension (Pensión de ascendientes): If there is no widow(er) or orphan, 20% of the permanent disability pension the deceased received or would have received for a total disability is paid to each eligible dependent parent.

The amount paid may be recalculated if the number of eligible survivors changes.

Christmas bonus (Aguinaldo anual): A supplement of 15 days of the permanent disability pension for a total disability is paid.

Benefits are payable abroad under reciprocal agreement. The insured must pay the corresponding administrative costs. If leaving Mexico permanently, the pensioner may request a lump sum of two years of the pension.

Benefit adjustment: Benefits are adjusted annually in February based on changes in the consumer price index.

Funeral grant (Ayuda para gastos de funeral): A lump sum of sixty times the daily UMA (Unidad de Medida y Actualización) effective on the date of the insured's death is paid.

The daily UMA is 84.49 pesos (January 2019).

Administrative Organization

Mexican Social Security Institute (<http://www.imss.gob.mx>), managed by a general assembly, technical council, oversight commission, and director general, administers the program and collects contributions.

Unemployment

Regulatory Framework

Federal labor law (1970) requires employers to provide severance pay to dismissed employees. The payment amount

is three months plus 20 days of an employee's earnings for each year of service, up to 12 months of earnings.

Unemployed persons with at least five years of contributions to an individual account may withdraw an amount equal to 90 days of their average earnings used to calculate the last 250 weeks of contributions or 11.5% of the individual account balance (see Old Age, Disability, and Survivors), whichever is lower.

Unemployed persons with three to five years of contributions and at least 12 bimonthly contributions may withdraw an amount equal to 30 days of their covered earnings used to calculate contributions, up to 10 times the legal monthly minimum wage.

The legal daily minimum wage is 102.68 pesos; 176.72 pesos in municipalities by the northern country border (January 2019).

One withdrawal is permitted every five years.

After the insured returns to work, he or she may replace the amount withdrawn from the individual account during unemployment and the number of paid contribution weeks will be restored. If the amount is not replaced, the number of paid contribution weeks will be reduced.

Family Allowances

Regulatory Framework

First law: 1973 (social insurance).

Current laws: 1995 (social security), implemented in 1997; and 2004 (social developments).

Type of program: Social insurance, mandatory individual account, and social assistance system.

Coverage

Social insurance: Employed persons who are mothers, divorced fathers or widow(er)s with children, or legal guardians.

Exclusions: Self-employed persons.

Mandatory individual account: Private-sector employees and members of cooperatives.

Voluntary coverage for family workers, certain self-employed persons and unpaid workers, household workers, employers, tenant and community farmers, small landowners, and public-sector employees who are not covered under any other program.

Special social insurance systems for petroleum workers, certain public-sector employees, and military personnel.

Social assistance: Needy residents of Mexico.

Source of Funds

Insured person

Social insurance: None.

Mandatory individual account: See source of funds under Old Age, Disability, and Survivors.

Social assistance: None.

Self-employed person

Social insurance: Not applicable.

Mandatory individual account: See source of funds under Old Age, Disability, and Survivors.

Social assistance: None.

Employer

Social insurance: 1% of covered payroll.

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

The maximum monthly earnings used to calculate contributions are 25 times the daily UMA (Unidad de Medida y Actualización).

The legal daily minimum wage is 102.68 pesos; 176.72 pesos in municipalities by the northern country border (January 2019).

The daily UMA is 84.49 pesos (February 2019).

Mandatory individual account: See source of funds under Old Age, Disability, and Survivors.

Social assistance: None.

Government

Social insurance: None.

Mandatory individual account: None.

Social assistance: The total cost.

Qualifying Conditions

Day care center (Guarderías infantiles, social insurance): Paid for children aged 43 days to 4 years who are enrolled in day care. A mother or father must have legal custody of a child.

Marriage grant (Ayuda para gastos de matrimonio, mandatory individual account): Must not be previously married and have at least 150 weeks of contributions to the individual account.

School allowance (Programa Nacional de Becas para el Bienestar Benito Juárez, social assistance, means tested)

Basic education allowance (Beca Bienestar para las Familias de Educación Básica): Paid to families living in extreme poverty with children younger than age 18 in nursery, preschool, primary school, or secondary school.

Mexico

High school allowance (Beca Universal para Estudiantes de Educación Media Superior): Paid to families with children attending public high school. The program prioritizes indigenous families living in poverty or vulnerable situations.

Higher education allowance (Beca Jóvenes Escribiendo el Futuro de Educación Superior): Paid to students up to age 29 enrolled in public higher education. The program prioritizes persons studying at public institutions in areas with a majority population of indigenous background or African descent, and areas with an increased incidence of violence or marginalization.

Family Allowance Benefits

Day care center (Guarderías infantiles, social insurance): The total cost of the child care at selected institutions is paid.

Marriage grant (Ayuda para gastos de matrimonio, mandatory individual account): A lump sum of 30 times the daily UMA (Unidad de Medida y Actualización) is paid from the insured's individual account.

The daily UMA is 84.49 pesos (February 2019).

School allowance (Programa Nacional de Becas para el Bienestar Benito Juárez, social assistance, means tested)

Basic education allowance (Beca Bienestar para las Familias de Educación Básica): 800 pesos a month is paid for each family.

Schedule of payments: The basic school allowance is paid every two months.

High school allowance (Beca Universal para Estudiantes de Educación Media Superior): 800 pesos a month is paid for each eligible child.

Schedule of payments: The high school allowance is paid every two months.

Higher education allowance (Beca Jóvenes Escribiendo el Futuro de Educación Superior): 2,400 pesos a month is paid for each eligible student.

Schedule of payments: The higher education allowance is paid every two months.

Administrative Organization

National Coordination of Benito Juárez Scholarships for Welfare (<https://www.gob.mx/becasbenitojuarez/>) oversees and coordinates the administration of the school allowances program.

Mexican Social Security Institute (<http://www.imss.gob.mx/>), managed by a general assembly, technical council, oversight commission, and director general, administers the day care program through contracted day care providers, oversees the mandatory individual account program, and collects contributions.

National Commission for the Retirement Savings System (<https://www.gob.mx/consar>) supervises the pension fund management companies.

Individual pension fund management companies administer the individual accounts.