

Bolivia

Exchange rate: U.S.\$1.00 equals
7.62 bolivianos (Bs).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1956, implemented in 1959.

Current law: 1996 (pensions), implemented in 1997.

Type of program: Mandatory private insurance system.

Notes: In 1997, all active members of the social insurance system transferred to a system of mandatory individual accounts. Contributions made under the old system are recognized and paid as part of the pension. Only those active members who were already eligible for a social insurance pension are able to retire under the old system.

All residents aged 65 or older receive an annual social assistance cash benefit under the Bonosol program.

This information is from 1999.

Coverage

All workers.

Voluntary coverage for the self-employed.

Source of Funds

Insured person: 10% of earnings for old age, plus an additional amount for disability and survivor insurance and administrative fees.

Employer: 2% of payroll for disability insurance.

Government: Social insurance and social assistance pensions.

The maximum earnings for contribution purposes are 60 times the national minimum wage.

Qualifying Conditions

Old-age pension: Age 65 or when the accumulated capital in the individual account, plus accrued interest, is equal to at least 70% of the last 5 years' average covered earnings.

Disability pension: Younger than age 65 with between 18 months and 5 years of contributions.

Survivor pension: The deceased was insured.

Old-Age Benefits

Old-age pension: The insured's accumulated capital (contributions plus accrued interest) is used to purchase a fixed or variable annuity.

There is no guaranteed minimum pension.

Permanent Disability Benefits

Disability pension: 70% of average salary during the last 5 years. If the contributions period is between 18 months and 5 years, the benefit is based on the average salary of the last 12 months.

An additional 10% of the last monthly salary is placed in the old-age pension account of a disabled employee who is younger than age 65 and who has at least 18 months of contributions in the last 36 months.

The benefit is payable until age 65 when eligibility for the old-age pension begins.

Survivor Benefits

Survivor pension: The insured's accumulated capital in the individual account is payable to a spouse, dependents, parents, or siblings.

The minimum pension is 70% of average earnings in the last 5 years, with at least 18 months of contributions during the last 5 years.

Widow's pension: 80% of the insured's pension.

Orphan's pension: 20% of the insured's pension to each dependent child.

Funeral grant: Bs1,100.

Administrative Organization

System of Financial Regulation provides financial supervision of program.

Superintendent of Pensions administers the program.

Insurance companies pay benefits.

Sickness and Maternity

Regulatory Framework

First law: 1949.

Current laws: 1987, 1988, and 1998.

Type of program: Social insurance system. Cash and medical benefits.

Coverage

All workers. (Health insurance coverage for those over age 60.)

Voluntary coverage for the self-employed.

Source of Funds

Insured person: None. (Pensioners contribute 5% of the pension.)

Employer: 10% of payroll.

Government: None.

All of the above contributions also finance temporary work injury benefits.

Qualifying Conditions

Cash sickness benefits: Two contributions before the onset of incapacity.

Maternity benefits: Four months of contributions before the start of pregnancy for cash and medical benefits.

Medical benefits: One month of contributions in the preceding 2 months.

Sickness and Maternity Benefits

Sickness benefit: 75% of earnings, payable after a 3-day waiting period for up to 26 weeks; may be extended to 52 weeks if continuing medical care will prevent permanent disability.

Maternity benefit: 95% of earnings, payable for up to 45 days before and 45 days after the expected date of childbirth to an insured woman or the insured's spouse.

Nursing and prenatal allowances: See Family Allowances, below.

Workers' Medical Benefits

Medical benefits include general, specialist, and preventive care; diagnostic services; surgery; hospitalization; and medicines.

Dependents' Medical Benefits

Medical benefits include general, specialist, and preventive care; diagnostic services; surgery; hospitalization; and medicines.

Administrative Organization

National Health Fund administers the program.

Work Injury

Regulatory Framework

First law: 1924.

Current laws: 1987 and 1996, implemented in 1997.

Type of program: Social insurance system.

Coverage

All workers.

Source of Funds

Insured person: None.

Employer: 2% of payroll.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The benefit is payable as cash sickness benefit under Sickness and Maternity, above.

Permanent Disability Benefits

Permanent disability pension: 70% of the average salary during the last 5 years. If the assessed degree of disability is 25% or greater, the monthly benefit is equal to the insured's base salary times the assessed degree of disability.

Partial disability: For an assessed degree of disability of between 10% and 25%, a lump sum is paid.

Workers' Medical Benefits

Benefits include necessary medical and surgical care, hospitalization, medicines, appliances, and rehabilitation.

Survivor Benefits

Survivor pension: The minimum pension is 70% of average earnings in the last 5 years, with at least 18 months of contributions during the last 5 years.

Widow's pension: 80% of the insured's pension.

Orphan's pension: 20% of the insured's pension to each dependent child.

Funeral grant: Bs1,100.

Administrative Organization

Medical benefits: National Health Fund administers the program.

Disability and survivors benefits: Superintendent of Pensions administers the program.

Unemployment

Regulatory Framework

Labor law requires employers to grant severance pay to dismissed employees. Unemployed workers receive medical and maternity benefits for 2 months following dismissal.

Family Allowances

Regulatory Framework

First law: 1953.

Current laws: 1956, implemented in 1959; and 1987.

Type of program: Employment-related system.

Coverage

All workers.

Special systems for bank employees, military personnel, drivers, miners, railroad employees, petroleum workers, and other groups of worker.

Source of Funds

Insured person: None.

Employer: Total cost.

Government: None.

Qualifying Conditions

Family allowances: Child must be between age 1 (when the nursing allowance ceases) and age 19 (no limit if disabled). Housing allowances are payable to married couples and single persons, with or without children. The family head must be currently working more than 15 days a month.

Family Allowance Benefits

Family allowances: A monthly allowance for each child.

Housing allowance: Provided to single and married workers.

Prenatal grant: Milk and a cash benefit from the fifth month of pregnancy.

Birth grant: One national monthly minimum wage for each birth.

Nursing allowance: Monthly milk allowance for each child for the 12-month period following birth (paid in kind).

Burial allowance: One national monthly minimum wage for each child under age 19.

Administrative Organization

Ministry of Housing and Economic Development provides general supervision.

National Secretariat of Pensions, through the National Institute of Pensions, administers the program.

Employers pay allowances for single and married adults directly to their employees.