

## Cape Verde

Exchange rate: US\$1.00 equals 79.86 escudos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1957.

**Current laws:** 2003 (self-employed persons), with amendments; 2004 (employed persons), with amendments; and 2007 (labor code).

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

#### Coverage

Employed persons in the private and public sectors (including civil servants first employed after December 31, 2005); and certain business owners, employees of cooperatives, and self-employed persons.

Special systems for civil servants (first employed before January 1, 2006), central bank employees, and municipal agents (first employed before January 1, 2008); and certain business owners, employees of cooperatives, and self-employed persons.

#### Source of Funds

**Insured person:** 3% of gross monthly earnings.

**Self-employed person:** 10% of gross monthly earnings.

**Employer:** 7% of gross monthly payroll.

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

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) or age 60 (women) with at least 15 years of contributions.

The pension is payable abroad.

**Disability pension:** The insured must have at least 5 years of contributions and be assessed with a disability of at least 66.7% or a loss of earning capacity of at least 33.3%.

The pension is payable abroad.

**Survivor pension:** The deceased was a pensioner or had at least 36 months of contributions.

Eligible survivors include a widow older than age 50 or disabled, a widower older than age 55, and children younger than age 15 (age 24 if a student, no age limit if disabled).

A temporary survivor pension is paid for up to 5 years to a widow younger than age 50 and a widower younger than age 55.

The pension ceases on remarriage.

The pension is payable abroad.

#### Old-Age Benefits

**Old-age pension:** The monthly pension is equal to 2% of the insured's annual average earnings plus an annual coefficient adjusted for changes in the cost of living for each 12-month period of coverage.

The annual average earnings for benefit calculation purposes are based on the 120 best-paid months in the last 15 years of contributions.

The minimum monthly pension is 4,620 escudos.

The maximum monthly pension is 80% of the insured's average monthly earnings.

**Benefit adjustment:** The minimum monthly pension is adjusted periodically by decree. (The last adjustment was made in 2006.) Pensions are adjusted annually according to changes in the average salary of public servants.

#### Permanent Disability Benefits

**Disability pension:** The monthly pension is equal to 2% of the insured's annual average earnings plus an annual coefficient adjusted for changes in the cost of living for each 12-month period of coverage.

The annual average earnings for benefit calculation purposes are based on the 120 best-paid months in the last 15 years of contributions.

The minimum monthly pension is 4,620 escudos.

The maximum monthly pension is 80% of the insured's average monthly earnings.

**Benefit adjustment:** The minimum monthly pension is adjusted periodically by decree. (The last adjustment was made in 2006.) Pensions are adjusted annually according to changes in the average salary of public servants.

#### Survivor Benefits

**Survivor pension:** The monthly pension is equal to 50% of the deceased's pension.

**Orphan's pension:** Each orphan receives 25% of the deceased's pension a month; 50% for each full orphan.

All survivor benefits combined must not exceed 100% of the deceased's monthly pension; otherwise, the pensions are reduced proportionately.

**Benefit adjustment:** Pensions are adjusted annually according to changes in the average salary of public servants.

#### Administrative Organization

Ministry of Labor and Solidarity (<http://www.mtfs.gov.cv>) provides general supervision.

National Social Insurance Institute (<http://www.inps.cv>) administers the program.

## **Sickness and Maternity**

### **Regulatory Framework**

**First law:** 1976.

**Current laws:** 2003 (self-employed persons), with amendments; 2004 (employed persons), with amendments; and 2007 (labor code).

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

### **Coverage**

Employed persons in the private and public sectors.

Voluntary coverage for cash benefits for business owners, employees of cooperatives, and self-employed persons.

Business owners, employees of cooperatives, self-employed persons, pensioners, and recipients of social insurance benefits are covered for medical benefits.

Special systems provide cash benefits for civil servants and certain business owners, employees of cooperatives, and self-employed persons.

### **Source of Funds**

**Insured person:** 4% of gross monthly earnings.

**Self-employed person:** None for medical benefits. Voluntary contributors pay 8% of gross monthly earnings for cash benefits.

**Employer:** 4% of gross monthly payroll.

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

### **Qualifying Conditions**

**Cash sickness and maternity benefits:** The insured must have at least 4 months of contributions.

### **Sickness and Maternity Benefits**

**Sickness benefit:** The benefit is equal to 70% of the insured's last monthly earnings or average earnings in the last 4 months (whichever amount is greater). The benefit is paid for up to 1,095 days. The employer pays 100% of earnings for the first 3 days. If the sickness lasts longer than 30 days, the insured is required to undergo medical examinations by a medical board.

**Maternity benefit:** The benefit is equal to 90% of the insured's last monthly earnings or average earnings in the last 4 months, whichever is higher. The benefit is paid for up to 60 days. (A nursing allowance is paid under Family Allowances, below.)

### **Workers' Medical Benefits**

Benefits include general and specialist care, surgery, hospitalization, laboratory services, doctor's consultations at home, medicines, prostheses, and dental care.

Cost sharing: Insured persons pay 15%, 25%, 45%, or 50% of the cost of medicines, according to the schedule in law; pensioners pay 5%, 15%, 40%, or 45%. Medicines are free for low-income pensioners. Insured persons and pensioners pay 30% to 50% of the cost of dental care and 20%, 25%, 30%, or 40% of the cost of prostheses and appliances. Low-income pensioners receive a 15% discount on the total cost paid by insured persons and pensioners for dental care, prostheses, and appliances.

A daily lump sum of 1,000 escudos (1,500 escudos for low-income pensioners) is paid for transportation costs and living expenses; 1,500 escudos (3,000 escudos for low-income pensioners) when receiving care abroad. A daily lump sum is also paid for an authorized accompanying person.

Low-income pensioners are pensioners who earn less than 2.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 13,410 escudos.

### **Dependents' Medical Benefits**

Benefits include general and specialist care, surgery, hospitalization, laboratory services, doctor's consultations at home, medicines, prostheses, and dental care.

Eligible dependents are children up to age 18 or receiving family allowances, dependent parents, and dependent grandparents.

Cost sharing: The dependents of insured persons pay 15%, 25%, 45%, or 50% of the cost of medicines, according to the schedule in law; the dependents of a pensioner pay 5%, 15%, 40%, or 45%. Medicines are free for dependents of low-income pensioners. The dependents of insured persons and pensioners pay 30% to 50% of the cost of dental care and 20%, 25%, 30%, or 40% of the cost of prostheses and appliances. The dependents of low-income pensioners receive a 15% discount on the total cost paid by the dependents of insured persons and pensioners for dental care, prostheses, and appliances.

A daily lump sum of 1,000 escudos (1,500 escudos for low-income pensioners' dependents) is paid for transportation costs and living expenses; 1,500 escudos (3,000 escudos for low-income pensioners' dependents) when receiving care abroad. A daily lump sum is also paid for an authorized accompanying person.

Low-income pensioners are pensioners with earnings less than 2.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 13,410 escudos.

### **Administrative Organization**

Ministry of Health (<http://www.minsaude.gov.cv>) provides general supervision.

National Health Service administers the program.

National Social Insurance Institute (<http://www.inps.cv>) pays the benefits.

## Work Injury

### Regulatory Framework

**First law:** 1960.

**Current laws:** 1978 (compulsory insurance) and 1991 (private administration).

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

### Coverage

Employed persons; tenant farmers and sharecroppers; members of cooperative enterprises; apprentices and trainees; certain categories of volunteer workers; and certain categories of self-employed persons, including family members employed by them.

Exclusions: Company managers, owners, and shareholders.

Special system for civil servants.

### Source of Funds

**Insured person:** None.

**Self-employed person:** 6% of covered monthly earnings.

The maximum daily earnings for contribution calculation purposes are 300 escudos.

**Employer:** 2% of covered monthly payroll for salaried employees or 6% of covered monthly payroll for all other workers; for household workers, 50 escudos a month (full time) or 30 escudos a month (part time).

The maximum daily earnings for contribution calculation purposes are 300 escudos.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no qualifying period. Accidents that occur while commuting to and from work are covered.

### Temporary Disability Benefits

If the insured is assessed with a total disability, the benefit is equal to 40% of the insured's earnings on the day the injury occurred (if those earnings differ from the insured's normal earnings, 40% of average earnings in the last 6 months) for the first 14 days; thereafter, 70%. For hospitalization, the benefit is equal to 40% of the insured's earnings; 70% with dependents. The benefit is paid for up to 1,095 days.

The maximum daily earnings for benefit calculation purposes are 300 escudos.

**Partial disability:** The benefit is equal to 25% of the insured's earnings on the day the injury occurred (if those earnings differ from the insured's normal earnings, 40% of average earnings in the last 6 months).

## Permanent Disability Benefits

**Permanent disability pension:** If the insured is assessed with a total disability, the monthly pension is equal to 70% of the insured's earnings on the day the injury occurred (if those earnings differ from the insured's normal earnings, 70% of average earnings in the last 6 months).

The maximum daily earnings for benefit calculation purposes are 300 escudos.

**Constant-attendance supplement:** If the insured requires the constant attendance of others to perform daily functions, 30% of the insured's earnings is paid a month.

**Partial disability:** If the assessed degree of disability is between 10% and 99%, a percentage of the full disability pension is paid according to the assessed degree of disability.

The degree of disability is assessed according to the schedule in law.

The insured may be required to undergo medical examinations every 6 months during the first 2 years; thereafter, every year.

The pension is paid from the day after the disability began. The employer pays the insured's earnings for the day of the work injury.

**Benefit adjustment:** Benefits are adjusted for changes in the cost of living, depending on the financial resources of the system.

### Workers' Medical Benefits

Benefits include medical treatment, surgery, hospitalization, prostheses, appliances, and transportation.

### Survivor Benefits

**Survivor pension:** The monthly pension is equal to 30% of the deceased's earnings on the day the injury occurred (if those earnings differ from normal earnings, 30% of the deceased's average earnings in the last 6 months).

Eligible survivors include a dependent widow, a dependent widower older than age 64 or disabled, and a divorced spouse receiving alimony. If there is more than one eligible divorced spouse, the pension is split equally.

The maximum daily earnings for benefit calculation purposes are 300 escudos.

The pension ceases if the widow(er) remarries or cohabits.

**Remarriage allowance:** A lump sum is paid equal to a year of pension.

**Orphan's pension:** The monthly pension is equal to 15% of the deceased's earnings for each child (including unborn, adopted, natural, and any other dependent children) up to age 18 (age 24 if a student, no limit if disabled); 45% for each full orphan.

**Other eligible survivors:** A monthly pension equal to 10% of the deceased's earnings is paid to dependent parents and grandparents and to dependent brothers and sisters up to age 16.

The total monthly survivor pension for other eligible survivors is 30% of the deceased's earnings.

All survivor benefits combined must not exceed 70% of the deceased's monthly earnings.

**Funeral grant:** The cost of the funeral, up to 7,500 escudos.

**Benefit adjustment:** Benefits are adjusted for changes in the cost of living, depending on the financial resources of the system.

### **Administrative Organization**

Ministry of Labor and Solidarity (<http://www.mtfs.gov.cv>) provides general supervision.

Private insurance companies administer the program.

## **Family Allowances**

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### **Regulatory Framework**

**First law:** 1957.

**Current law:** 2004 (employed persons).

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

### **Coverage**

Persons in insured employment or receiving social insurance benefits.

Exclusions: Self-employed persons.

Special system for civil servants.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** 3% of gross monthly payroll.

**Government:** None.

### **Qualifying Conditions**

**Family allowances:** Children must be younger than age 15 (age 24 if a student, no limit if disabled). The allowance is also paid for the insured's parents if each parent's income is less than the legal monthly minimum wage.

The legal monthly minimum wage is 13,410 escudos.

### **Family Allowance Benefits**

**Family allowances:** 400 escudos a month is paid for each eligible dependent; 1,200 escudos a month for each disabled child younger than age 8; 1,600 escudos a month for each disabled child aged 8 to 13; and 2,050 escudos a month for each disabled child older than age 13. The allowance is paid for up to four children; the limit on the number of children is waived if the parent is a pensioner or if the insured is deceased and the mother is an unemployed widow.

**Nursing allowance:** 1,200 escudos a month is paid for 6 months.

**Funeral grant:** The cost of the funeral, up to 20,000 escudos for the insured, the insured's spouse, or children older than age 14; 15,000 escudos for children aged 6 to 14; 7,500 escudos for children younger than age 6.

**Benefit adjustment:** Benefits are adjusted periodically. (The last adjustment was made in 2005.)

### **Administrative Organization**

Ministry of Labor and Solidarity (<http://www.mtfs.gov.cv>) provides general supervision.

National Social Insurance Institute (<http://www.inps.cv>) administers the program.