

## Dominican Republic

Exchange rate: US\$1.00 equals 35.92 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1947.

**Current law:** 2001 (social security), implemented in 2003 with 2007 amendment.

**Type of program:** Mandatory individual account and social assistance system.

Note: A system of mandatory individual accounts for public- and private-sector workers began in June 2003. Participation is mandatory for new entrants into the workforce and for those aged 45 or younger in June 2003; participation is voluntary for public-sector workers. Subsidized individual accounts for self-employed persons are yet to be implemented.

Pensioners who began receiving their pension before June 2003 and public-sector employees who opt not to join the mandatory individual account system are covered in the social insurance system, which is being phased out.

#### Coverage

**Mandatory individual account:** All private-sector workers and employers. Voluntary coverage for Dominican citizens living abroad, public-sector workers, and private-sector workers older than age 45 in 2003.

Exclusions: Self-employed persons.

**Mandatory individual account (subsidized):** (Not yet implemented.) Self-employed persons with income above the legal minimum wage.

The legal monthly minimum wage for private-sector workers ranges from 5,158 pesos to 7,360 pesos, depending on the type and size of business; the legal monthly minimum wage for public-sector workers is 2,600 pesos (2008).

**Social assistance:** Severely disabled, needy, unemployed, and self-employed persons with income below the legal minimum wage.

The legal monthly minimum wage for private-sector workers ranges from 5,158 pesos to 7,360 pesos, depending on the type and size of business; the legal monthly minimum wage for public-sector workers is 2,600 pesos (2008).

### Source of Funds

#### Insured person

**Mandatory individual account:** 2.87% of covered earnings.

Of the total 9.97% of insured person and employer contributions, 8.0% is directed to the individual account, 1% to disability and survivor insurance, 0.5% to administrative fees for the pension fund management companies (AFPs), and 0.07% to the operating costs of the Superintendent of Pensions.

The minimum earnings for contribution calculation purposes are equal to the legal minimum wage.

The maximum earnings for contribution calculation purposes are 20 times the legal minimum wage.

The legal monthly minimum wage for private-sector workers ranges from 5,158 pesos to 7,360 pesos, depending on the type and size of business; the legal monthly minimum wage for public-sector workers is 2,600 pesos (2008).

**Social assistance:** None.

#### Self-employed person

**Mandatory individual account (subsidized):** (Not yet implemented.) Contribution and government subsidy depend on the level of earnings.

**Social assistance:** None.

#### Employer

**Mandatory individual account:** 7.10% of covered payroll.

Of the total 9.97% of insured person and employer contributions, 8.0% is directed to the individual account, 1% to disability and survivor insurance, 0.4% to the solidarity fund to finance the minimum guaranteed old-age pension, 0.5% to administrative fees for the pension fund management companies (AFPs), and 0.07% to the operating costs of the Superintendent of Pensions.

The minimum earnings for contribution calculation purposes are equal to the legal minimum wage.

The maximum earnings for contribution calculation purposes are 20 times the legal minimum wage.

The legal monthly minimum wage for private-sector workers ranges from 5,158 pesos to 7,360 pesos, depending on the type and size of business; the legal monthly minimum wage for public-sector workers is 2,600 pesos (2008).

**Social assistance:** None.

#### Government

**Mandatory individual account:** Subsidizes the cost of the guaranteed minimum pension; partially finances the subsidized mandatory individual accounts; and finances accrued rights for those who made contributions under the social insurance system.

**Social assistance:** The total cost.

## Qualifying Conditions

### Old-age pension (mandatory individual account):

Age 60 with at least 30 years of contributions.

Pensioners are not required to cease gainful activity.

Early pension: Age 55 if the individual account balance is sufficient to finance a pension equal to the minimum pension; aged 57 to 59, unemployed, and with at least 300 months of contributions; with less than 300 months, the insured can receive a pension based on the accumulated funds or continue contributing to reach 300 months.

Guaranteed minimum pension (solidarity fund): Age 60 with at least 30 years of contributions and insufficient accumulated capital plus accrued interest in the individual account to finance the minimum pension set by law.

The minimum old-age pension is equal to the lowest legal minimum wage.

The lowest monthly minimum wage for private-sector workers is 5,158 pesos.

The pension is not payable abroad.

**Old-age pension (subsidized mandatory individual account):** (Not yet implemented.) Age 65 with at least 25 years of contributions.

The pension is not payable abroad.

### Social assistance old-age pension (income-tested):

Age 60 and needy.

**Disability pension (mandatory individual account):** The insured has a chronic illness or injury (nonwork- or work-related) and has exhausted entitlement to sickness benefits or work injury benefits. A total disability is defined as a loss of at least 66.7% of earning capacity; partial disability, between 50% and 66.6% loss of earning capacity.

The insured's degree of disability is assessed by a regional medical committee. The national medical committee may revise, validate, or reject the decision of a regional medical committee.

The pension is not payable abroad.

### Social assistance disability pension (income-tested):

Paid at any age if assessed as severely disabled and needy.

**Survivor pension (mandatory individual account):** The deceased was insured or a pensioner at the time of death.

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

The pension is not payable abroad.

### Social assistance survivor pension (income-tested):

Paid to needy survivors.

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

## Old-Age Benefits

**Old-age pension (mandatory individual account):** The pension is based on the value of the accumulated capital plus accrued interest, which can be used to purchase a price-indexed annuity or to make programmed withdrawals. (The value of accrued rights under the social insurance system is combined with the individual account balance at retirement.)

Early pension: The maximum early pension is equal to the insured's final salary.

The minimum old-age pension is equal to the lowest legal minimum wage for all groups.

The lowest legal monthly minimum wage for private-sector workers is 5,158 pesos; the legal monthly minimum wage for public-sector workers is 2,600 pesos (2008).

Benefit adjustment: Benefits are adjusted according to changes in the minimum public-sector legal minimum wage.

**Old-age pension (subsidized mandatory individual account):** (Not yet implemented.) The pension is based on the value of the accumulated capital plus accrued interest. The accumulated capital can be used to purchase a price-indexed annuity or to make programmed withdrawals.

The minimum old-age pension (subsidized) is 70% of the private-sector legal minimum wage.

The legal monthly minimum wage for private-sector workers ranges from 5,158 pesos to 7,360 pesos, depending on the type and size of business.

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

**Social assistance old-age pension:** The pension is 60% of the public-sector legal minimum wage (plus a Christmas bonus).

The legal monthly minimum wage for public-sector workers is 2,600 pesos (2008).

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

## Permanent Disability Benefits

**Disability pension:** For a total disability, the pension is 60% of the insured's indexed average earnings in the 3 years immediately before the disability began. The disability pension is financed by disability insurance until retirement or death. The insurance company also pays a monthly contribution to the insured person's individual account until retirement or death. The disability pension ceases at the normal pensionable age when the insured may access the individual account balance to purchase a price-indexed annuity or make programmed withdrawals.

Partial disability: The pension is 30% of the insured's indexed average earnings in the 3 years immediately before the disability began.

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There is no minimum or maximum disability pension.

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

**Social assistance disability pension:** The pension is 60% of the public-sector legal minimum wage (plus a Christmas bonus).

The legal monthly minimum wage for public-sector workers is 2,600 pesos (2008).

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

### Survivor Benefits

**Survivor pension:** The pension is 60% of the deceased's indexed average earnings in the previous 3 years. (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.)

A spouse older than age 55 receives the pension for life; a spouse between ages 50 and 55 receives a pension for 6 years only (5 years if younger than age 50).

If there are orphans younger than age 18 (up to age 21 if a full-time student, no limit if disabled), the pension is split between the spouse and the orphans.

There is no minimum or maximum survivor pension.

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

**Social assistance survivor pension:** The pension is 60% of the public-sector legal minimum wage (plus a Christmas bonus).

The legal monthly minimum wage for public-sector workers is 2,600 pesos (2008).

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.gov.do>) provides general supervision.

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

### Sickness and Maternity

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#### Regulatory Framework

**First law:** 1947.

**Current laws:** 1948 (social insurance), implemented in 1949, with 1966 and 1988 amendments; and 2001 (social security), implemented in 2007.

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

#### Coverage

**Cash and medical benefits (nonsubsidized):** Employed persons and their spouses or partners, the insured's children up to age 21 if a full-time student (no limit if disabled), and pensioners.

**Cash and medical benefits (subsidized):** (Not yet implemented.) Pensioners receiving other subsidized benefits, self-employed persons, and household workers and their dependents.

#### Source of Funds

**Insured person:** 2.86% of covered earnings. (Rising gradually to 3.04% starting in 2012.)

There are no minimum earnings for contribution calculation purposes.

The maximum earnings for contribution calculation purposes are 10 times the legal minimum wage.

The legal monthly minimum wage for private-sector workers ranges from 5,158 pesos to 7,360 pesos, depending on the type and size of business; the legal monthly minimum wage for public-sector workers is 2,600 pesos (2008).

**Self-employed person:** (Not yet implemented.) Part of the cost for the subsidized program.

**Employer:** 6.67% of covered payroll. (Rising gradually to 7.09% starting in 2012.)

There are no minimum earnings for contribution calculation purposes.

The maximum earnings for contribution calculation purposes are 10 times the legal minimum wage.

The legal monthly minimum wage for private-sector workers ranges from 5,158 pesos to 7,360 pesos, depending on the type and size of business; the legal monthly minimum wage for public-sector workers is 2,600 pesos (2008).

**Government:** The total cost of social assistance and part of the cost for the subsidized program and the pediatric health care program.

#### Qualifying Conditions

**Cash sickness benefits (nonsubsidized):** The insured must have at least 12 months of contributions or be a pensioner.

**Cash maternity benefits (nonsubsidized):** The insured must have at least 8 months of contributions in the

12 months before childbirth or have been without paid work in the 12 months before childbirth.

**Cash benefits (subsidized):** Not yet implemented.

#### Medical benefits

*Basic health plan:* Resides in Dominican Republic.

*Pediatric health care:* Resides in Dominican Republic.

#### Sickness and Maternity Benefits

**Sickness benefit (nonsubsidized):** The benefit is 60% of earnings in the last 6 months (40% if hospitalized) and is paid after a 3-day waiting period, for up to 26 weeks.

**Maternity benefit (nonsubsidized):** The total benefit is 3 months of insured earnings and is paid for 6 weeks before and 6 weeks after the expected date of childbirth.

**Nursing allowance:** If the insured's salary is less than three times the minimum national wage, an allowance is paid for up to 12 months after the child's birth.

#### Workers' Medical Benefits

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

Cost sharing: The insured is reimbursed for 70% of the cost of some medicines.

Social assistance beneficiaries receive basic medicines free of charge.

#### Dependents' Medical Benefits

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

**Medical benefits for dependents (pediatric health care):** Provided from the 45th day after birth until age 5. Benefits include nutrition, pediatric care, and child development programs.

#### Administrative Organization

National Health Insurance (<http://www.arssenasa.gov.do>) and Health Risk Management Companies administer the basic health plan.

Health Risk Management Companies may be private, public, or mixed entities.

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

Superintendent of Health and Labor Risks supervises the pediatric health care program.

## Work Injury

### Regulatory Framework

**First law:** 1932.

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

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

### Coverage

All insured workers.

Exceptions: Self-employed persons.

### Source of Funds

**Insured person:** None.

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

**Employer:** The total cost is met 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 for contribution calculation purposes.

The maximum earnings for contribution calculation purposes are 10 times the minimum average national wage.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

The labor law requires that cash benefits be provided for temporary disability.

### Permanent Disability Benefits

**Permanent disability pension:** Benefits are provided according to four degrees of assessed disability: severe total disability (totally disabled and in need of constant attendance); permanent total disability (unable to perform any occupation); permanent total disability for usual occupation (unable to perform usual occupation); and permanent partial disability for current occupation (the loss of at least 50% of earning capacity).

All benefits are calculated using the base salary. The base salary is equal to the insured's average covered earnings in the 6 months before the injury occurred or occupational disease began. For insured workers with less than 6 months of covered earnings, the base salary is 50% of total covered earnings.

For an assessed degree of disability of 100% (severe total disability), a monthly pension of 100% of the base salary is paid. For an assessed degree of disability of at least 67% (permanent total disability), a monthly pension of 70% of

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the base salary is paid. For an assessed degree of disability of 50% to 66% (permanent total disability for usual occupation), a monthly pension of 50% of the base salary is paid. For an assessed degree of disability of 15% to 49% (permanent partial disability for current occupation), a lump sum of between five and 10 times the base salary is paid.

### **Workers' Medical Benefits**

Medical benefits are the same as provided under the basic health plan. Benefits include preventive, inpatient and outpatient, pediatric, emergency, and specialist care; medicine; and prostheses for persons with disabilities, according to a schedule in law.

### **Survivor Benefits**

**Survivor pension:** 50% of the deceased's pension is paid to a widow(er) aged 45 or older or disabled.

The pension ceases on remarriage and a lump sum of 2 years of pension is paid.

A widow(er) younger than age 45 receives a lump sum of 2 years of pension.

**Orphan's pension:** 20% of the deceased's pension is paid to each orphan younger than age 18 (age 21 if a full-time student, no limit if disabled).

### **Administrative Organization**

Superintendent of Health and Labor Risks (<http://www.sisalril.gov.do>) supervises and monitors the work injury program.

### **Family Allowances**

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#### **Regulatory Framework**

Benefits are paid to unemployed single mothers with unmarried children younger than age 18 (age 21 if a full-time student, no limit if disabled) who are without sufficient resources to meet basic needs. (Social assistance benefits are provided under the Old Age, Disability, and Survivors program).