

## Monaco

Exchange rate: US\$1.00 equals 0.68 euros (€).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1944 (workers) and 1958 (self-employed).

**Current laws:** 1944 (disability benefit), 1947 (old-age benefit), 1949 (disability benefit), and 1971 (disability benefit).

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

#### Coverage

Employed persons, including state and local government contract workers.

Special systems for self-employed persons, civil servants, hospital personnel, and employees of the electricity and gas utility company.

#### Source of Funds

**Insured person:** 6.15% of covered earnings.

The insured's contribution finances the old-age pension, survivor pension, and death allowance.

The maximum monthly earnings for contribution purposes are €3,996.

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

**Employer:** 6.15% of covered payroll finances the old-age pension, survivor pension, and death allowance; and an annually adjusted amount of 0.89% of covered payroll (2007) finances contributions for periods during which workers paid no contributions but received paid sick or maternity leave, disability benefits, or unemployment benefits; and 14.9% of covered payroll finances disability benefits.

The employer's contribution for disability benefits also finances sickness and maternity benefits, family benefits, the death grant, and certain social and health care benefits.

The maximum monthly earnings for contribution purposes are €3,996 (old-age pension, survivor pension, and the death allowance) and €7,100 (disability benefits).

**Government:** None.

#### Qualifying Conditions

**Old-age pension:** Age 65 with at least 10 calendar years of employment, including a minimum of between 151 hours and 173 hours of work a year (depending on the year of employment) and at least 60 months of coverage (including

periods of paid sick or maternity leave and periods of disability or unemployment).

Retirement from work is not necessary.

**Early pension:** From age 60 and retired from all active work or employment; age 55 for a woman who has raised three children for at least 8 years before the children reach age 16. The insured must not be receiving sickness, work injury, or unemployment benefits.

**Deferred pension:** The pension can be deferred after age 65.

**Spouse's allowance:** Paid to the insured at retirement if his or her old-age pension is calculated on the basis of at least 60 pension points. The spouse must live with the insured and total household income (including the spouse's allowance) must not exceed 24 times the reference salary (The monthly reference salary in October 2007 is €999) used by the Independent Employees' Pension Fund.

The number of pension points acquired during any 1-year period is obtained by dividing the declared earnings by the reference salary in force (fixed by ministerial decree as €999 in October 2007), up to a maximum of four pension points per month.

**Disability pension:** The insured must be younger than age 60 and assessed with a total loss of working capacity (total disability) or the loss of 2/3 of working capacity (partial disability). The insured must have at least 12 months' coverage in the previous 15 months or 800 hours of employment in the previous 12 months, including 200 hours in the previous 3 months.

**Survivor pension:** The deceased was a pensioner or had at least 10 calendar years of employment at the time of death, including a minimum of between 151 hours and 173 hours of work a year (depending on the year of employment) and at least 60 months of coverage (including periods of paid sick or maternity leave and periods of disability or unemployment).

Eligible survivors are a widow aged 50 or older (of any age if she is caring for a child) or a widower with at least one dependent child (if the widower ceases to care for at least one dependent child, the pension is suspended until the widower reaches the pensionable age or age 60 if he is incapable of gainful activity); a divorced or separated widow(er) receiving alimony at the time of the insured's death; and orphans younger than age 18 (age 20 if an apprentice, age 21 if a student).

**Death allowance:** Paid to the surviving spouse of an old-age pensioner. The surviving spouse must not have been divorced or separated from the deceased. In the absence of an eligible surviving spouse, the allowance is paid to orphans eligible for a survivor pension.

**Death grant:** The benefit is paid (in order of priority) to the deceased's surviving spouse, orphans, or parents. The deceased was a disability pensioner or had worked at least

120 hours in the month (or 200 hours in the quarter) before death.

### **Old-Age Benefits**

**Old-age pension:** The pension is calculated according to the number of pension points acquired over the total working life multiplied by the value of a point (€16.65). The number of points acquired during any 1-year period is obtained by dividing the insured's monthly declared earnings by the monthly reference salary in force (fixed by ministerial decree as €999 in October 2007), up to a maximum of four pension points per month.

**Early pension:** The pension is calculated in the same way as the old-age pension.

**Deferred pension:** The pension is calculated in the same way as the old-age pension. The pension is increased by 1.5% of the pension for each quarter of coverage after age 65, up to a maximum of 30%.

The maximum monthly pension is equal to six times the reference salary (€5,994 in October 2007).

**Spouse's supplement:** The benefit is paid annually in the last quarter of the year. The supplement is paid at the full rate if the old-age pension is calculated on the basis of 360 or more pension points. If the number of pension points is less than 360, a reduced amount is paid according to the total number of pension points.

Old-age benefits are payable abroad.

**Schedule of payments:** Pensions are paid monthly in Monaco, France, or Italy and quarterly in other countries.

**Benefit adjustment:** Benefits are adjusted annually according to changes in the value of the pension point.

### **Permanent Disability Benefits**

**Disability pension:** The pension is 30% or 50% of the insured's average monthly covered earnings in the 60 months before the disability began, depending on whether the insured is capable of any kind of gainful employment.

The minimum and maximum monthly pension depend on the insured's age (younger than age 65 or aged 65 or older) and the whether the insured receives other pension income from any source.

**Constant-attendance supplement:** Equal to 40% of the disability pension.

Disability benefits are payable abroad.

**Benefit adjustment:** Benefits are adjusted annually in January by ministerial decree.

### **Survivor Benefits**

**Survivor pension:** The widow(er) receives 60% of the pension paid or payable to the deceased. The pension for a divorced or separated spouse is calculated according to the

number of pension points acquired by the deceased while he or she lived with the surviving spouse.

The number of pension points acquired during any 1-year period is obtained by dividing the declared earnings by the reference salary in force (fixed by ministerial decree as €999 in October 2007), up to a maximum of four pension points per month.

The pension ceases on remarriage or cohabitation.

**Orphan's pension:** Each half orphan receives 25% of the pension paid or payable to the deceased. Each full orphan receives 50% of the deceased's pension (50% of the highest pension if both parents were pensioners).

All orphans' benefits combined must not exceed 100% of the deceased's pension.

Survivor pensions are payable abroad.

**Benefit adjustment:** Benefits are adjusted annually according to changes in the value of the pension point.

**Death allowance:** A lump sum is paid equal to 25% of the deceased's annual pension, up to a maximum of 150% of the reference salary in force at the time of death (fixed by ministerial decree as €999 in October 2007).

**Death grant:** A lump sum is paid equal to 90 times the deceased's average daily earnings in the last 12 months before death (if the deceased was an active contributor to the program) or the last 60 months before the disability began (if the deceased was receiving a disability pension).

The minimum grant is €335.

The maximum grant is €21,300.

### **Administrative Organization**

Independent Employees' Pension Fund (<http://www.caisses-sociales.mc>), with representatives of government, employers, and employees, administers the employees' old-age insurance program.

Compensation Fund for Social Services (<http://www.caisses-sociales.mc>), with representatives of government, employers, and employees, administers the employees' disability insurance program.

Independent Pension Fund for Self-Employed Workers (<http://www.caisses-sociales.mc>), with representatives of government, employers, and self-employed persons, administers self-employed persons' old-age insurance program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First and current laws:** 1944, 1949, 1971 (employees), and 1982 (self-employed persons).

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

## Coverage

Employed persons.

Special systems for civil servants, self-employed persons, and doctors and medical assistants.

## Source of Funds

**Insured person:** None.

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

**Employer:** See source of funds for disability benefits under Old Age, Disability, and Survivors, above.

**Government:** None.

## Qualifying Conditions

**Cash sickness benefits:** For an incapacity lasting less than 6 months, the insured must have at least 120 hours of effective or deemed employment in the last month or 200 hours in the previous 3 months; for an incapacity lasting 6 or more months, the insured must have at least 12 months of contributions in the previous 15 months with 800 hours of work or deemed work in the previous 12 months, including 200 hours in the last 3 months.

**Cash maternity benefits:** The insured must have 1 month of coverage in the quarter before the date of conception and continuing coverage with at least 85 hours of work for each month of coverage between the date of conception and the medical confirmation of pregnancy.

**Paternity leave benefit:** The insured must have at least 120 hours of effective or deemed employment in the last month or 200 hours in the previous 3 months. The leave period must begin within 4 months after the date of childbirth.

**Medical benefits:** The insured must have at least 120 hours of employment in the last month or 200 hours of employment in the last 3 months.

## Sickness and Maternity Benefits

**Sickness benefit:** The benefit is equal to 50% of the insured's average daily wage in the last 12 months (66.6% from the 31st day if the insured has three or more dependent children), up to a ceiling of €118.33. The benefit is paid after a 3-day waiting period for up to a maximum of 360 days; may be extended for 3 or 4 years in cases of chronic or recurrent illness.

The benefit may be reduced during periods of hospitalization according to the insured's income and number of dependent children.

Benefit adjustment: If the sick leave period is longer than 6 months, benefits are adjusted automatically twice a year (January and July) according to a coefficient set by law.

**Maternity benefit:** The benefit is equal to 90% of the insured's average earnings in the last 12 months, up to a ceiling of €118.33. The benefit for the first and second child (or in households that already have a maximum of one child currently residing at home) is paid for 8 weeks before and 8 weeks after the expected date of childbirth; for the third and subsequent children (or in households that already have a maximum of two children currently residing at home), 8 weeks before and 18 weeks after the expected date of childbirth; for twins (with no other children in the household), 12 weeks before and 22 weeks after the expected date of childbirth; and for other multiple births, 24 weeks before and 22 weeks after the expected date of childbirth.

**Paternity leave benefit:** The daily benefit is equal to 90% of the father's daily gross average earnings in the 12 months before the date of birth, up to a ceiling of €118.33. The benefit is paid for up to 12 days, including Sundays and public holidays; 19 days for multiple births or in households with at least two dependent children.

## Workers' Medical Benefits

Reimbursements for medical costs include primary and specialist treatment, hospitalization, laboratory services, pharmaceuticals, dental care, appliances, and transportation. The rates applied by medical practitioners and auxiliary medical services to insured persons are classified into three categories according to income and family size: a standard rate with no extras; a rate that is 20% higher than the standard rate; and a fee set by prior agreement with a medical practitioner.

The award is up to 80% of the cost of the medical benefit, up to the ceiling of the first rate category. This rate can increase to 100% for lengthy and costly treatment or for certain complicated procedures, including complicated surgery and prolonged hospitalization.

## Dependents' Medical Benefits

Reimbursements for medical costs include primary and specialist treatment, hospitalization, laboratory services, pharmaceuticals, dental care, appliances, and transportation. The rates applied by medical practitioners and auxiliary medical services to insured persons are classified into three categories according to income and family size: a standard rate with no extras; a rate that is 20% higher than the standard rate; and a fee set by prior agreement with a medical practitioner.

The award is up to 80% of the cost of the medical benefit, up to the ceiling of the first rate category. This rate can increase to 100% for lengthy and costly treatment or for certain complicated procedures, including complicated surgery and prolonged hospitalization.

## Administrative Organization

Social Services Compensation Fund (<http://www.caisses-sociales.mc>), with representatives of government, employers, and employees, administers the program.

## Work Injury

### Regulatory Framework

**First law:** 1930.

**Current law:** 1958.

**Type of program:** Mandatory private insurance system.

### Coverage

Employed persons.

### Source of Funds

**Insured person:** None.

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

**Employer:** The total cost. The cost of premiums varies according to the reported accident rate. An additional contribution equal to 24% of the cost of premiums is paid to the Complementary Compensation Fund.

**Government:** None.

### Qualifying Conditions

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

### Temporary Disability Benefits

The daily benefit is equal to 50% (66.6%, from the 29th day after the disability began) of the insured's average daily earnings in the month before the accident. The benefit is paid from the day after the accident (the employer must pay the insured's full salary for the day the accident occurred) until recovery or certification of permanent disability.

The maximum daily earnings for benefit calculation purposes are equal to 1/312 of 15 times the legal annual minimum wage.

Schedule of payments: Benefits are paid at least every 16 days.

### Permanent Disability Benefits

**Permanent disability pension:** If the insured is totally disabled, the annual pension is equal to 100% of the insured's annual earnings in the 12 months before the accident occurred or the occupational disease began.

The minimum annual earnings for benefit calculation purposes are equal to the legal annual minimum salary.

The maximum annual earnings for benefit calculation purposes are equal to 15 times the legal annual minimum salary (eight times the legal annual minimum salary for professional athletes, with only 1/3 of earnings between twice the minimum salary and eight times the minimum salary taken into account for benefit calculation purposes).

Constant-attendance supplement: Equal to 40% of the pension.

Partial pension: If the assessed degree of disability is at least 10%, the benefit is equal to 50% of the assessed loss in earning capacity for the portion of disability between 10% and 50%, plus 150% of the assessed loss in earning capacity for the portion of disability greater than 50%.

The degree of disability is assessed by a commission.

If the assessed degree of disability is less than 10%, a lump sum is paid according to the schedule in law.

Schedule of payments: Benefits are paid quarterly for the previous quarter.

The permanent disability pension may be replaced in full or in part by a lump sum after 5 years, subject to conditions.

Benefit adjustment: Pensions are adjusted according to a coefficient set by law.

### Workers' Medical Benefits

Medical benefits include medical, hospital, surgical, and pharmaceutical treatment; rehabilitation; prostheses; and transportation costs.

All medical costs are met by the employer or insurer.

### Survivor Benefits

**Survivor pension:** The pension is equal to 30% (50% if the survivor is aged 55 or older or disabled) of the deceased's annual earnings.

The benefit is paid to a surviving spouse who was married to, living with, or divorced from the deceased and receiving alimony at the time of the insured's death. The pension for a divorced spouse must not exceed the value of any alimony paid. The date of marriage must have been before the date of the accident that resulted in the insured's death or at least 2 years before the date of the insured's death; conditions are waived if the couple had at least one child.

The pension ceases on remarriage if there are no children receiving a survivor benefit, and a lump sum is paid equal to three times the value of the annual pension.

**Orphan's pension:** The pension is equal to 15% of the deceased's annual earnings for one child; 30% for two children; 40% for three or more children, plus an additional 10% for the fourth and each subsequent child. Each full orphan receives 20% of the deceased's annual earnings. The child must be eligible for family allowances.

**Other eligible survivors:** Each dependent parent and grandparent receives 10% of the deceased's annual earnings, up to a maximum of 30%.

All survivor benefits combined must not exceed 85% of the deceased's annual earnings.

Benefit adjustment: Pensions are adjusted according to a coefficient set by law.

**Funeral allowance:** Funeral costs are reimbursed, up to a maximum.

### **Administrative Organization**

Licensed private insurance companies administer the program.

Complementary Compensation Fund guarantees benefit payments in case of the insolvency of the employer or insurance company.

## **Unemployment**

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### **Regulatory Framework**

Coverage is provided through France's program for unemployment insurance.

### **Family Allowances**

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#### **Regulatory Framework**

**First law:** 1938.

**Current law:** 1954 (family benefits).

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

#### **Coverage**

Employed persons and persons receiving unemployment benefits.

#### **Source of Funds**

**Insured person:** None.

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

**Employer:** See source of funds for disability benefits under Old Age, Disability, and Survivors, above.

**Government:** None; contributes toward the cost of certain social benefits.

#### **Qualifying Conditions**

**Family allowance:** The child must be younger than age 6 (age 16 if in full-time education; age 17 if searching for a first job; age 21 if an apprentice, a student, or disabled). A working child must earn less than €716.48 a month. The head of the household must be insured and have at least 77 hours of employment or deemed employment in the relevant month. If both parents are eligible for family allow-

ances, the benefit is paid once only (normally to the head of the household).

**Prenatal allowance:** The head of the household must be insured and have at least 77 hours of employment or deemed employment in the relevant month. The mother must undergo a medical examination and provide a formal declaration of pregnancy during the first 3 months following the date of conception. The mother must also undergo medical examination at the 3rd, 6th, and 8th month of pregnancy and after childbirth. The benefit is paid to an insured woman or the wife of an insured man. If both parents are eligible for family allowances, the benefit is paid once only (normally to the head of the household).

**Education grant:** Paid for children attending school in Monaco or France. The insured must have received family allowances for 7 months in the previous calendar year, including at least 1 month in the last 4 months of the previous year.

**New school year allowance (means-tested):** Paid for children attending school in Monaco or France. The child must be eligible to receive family allowances and have received family allowances in July of the relevant year. Household income in the year before the application must not exceed an amount fixed according to the number of dependents.

**End-of-year grant (means-tested):** Paid for children attending school in Monaco or France. The insured must have received family allowances for 7 months in the previous calendar year, including at least 1 month in the last 3 months of the previous year. Household income in the year before the application must not exceed an amount fixed according to the number of dependents.

**Housing allowance (means-tested):** The benefit is paid to family allowance beneficiaries and to certain other categories of person residing in Monaco, according to the number of people in the household and household income.

**Other benefits:** Child care services and other forms of individual and family support may be provided, subject to conditions.

### **Family Allowance Benefits**

**Family allowance:** With 145 hours of covered employment, the allowance is €126.90 a month for each child younger than age 3, €190.40 for each child aged 3 to 5, €228.40 for each child aged 6 to 10, and €266.50 for each child aged 11 or older. The allowance is proportionately reduced with between 77 hours and 144 hours of covered employment. The allowance is paid monthly to the head of the household or the child's mother or guardian.

**Prenatal allowance:** With 145 hours of covered employment, the allowance is €126.90 (May 2008) a month for up to 9 months. The allowance is proportionately reduced with between 77 hours and 144 hours of covered employment. The allowance is paid in three installments (2 months'

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benefit on the 3rd month of pregnancy, 4 months' benefit on the 6th month of pregnancy, and 3 months' benefit after childbirth).

**Education grant:** The amount varies according to the level of the studies and whether the child attends school in Monaco (between €59 and €377) or France (between €30 and €377). The grant is paid in October to the head of the household or the child's mother or guardian.

**New school year allowance (means-tested):** The benefit is €112 for a child younger than age 3, €167 for a child between ages 3 and 5, €200 for a child between ages 6 and 10, and €235 for a child between ages 11 and 21. The benefit is paid in August to the head of the household or the child's mother or guardian.

**End-of-year grant (means-tested):** €110 is paid in December.

**Housing allowance (means-tested):** The minimum monthly allowance is €15.24.

**Other benefits:** A contribution toward the cost of infant care for children up to age 3 and the cost of child care for children up to age 6. Other forms of individual and family support may be provided.

### **Administrative Organization**

Compensation Fund for Social Services (<http://www.caisses-sociales.mc>), with representatives of government, employers, and employees, administers the program.