

## Cabo Verde

Exchange rate: US\$1.00 = 104.73 escudos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1957 and 2006.

**Current laws:** 2003 (self-employed persons), 2004 (employed persons), 2006 (civil servants), 2006 (cooperatives), 2007 (municipal agents), 2007 (labor code), 2009 (self-employed persons), 2009 (household workers), 2010 (social pensions), and 2013 (social pensions).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Public- and private-sector employees (including civil servants of the central government first employed after December 31, 2005, and civil servants of local governments after December 31, 2007), self-employed persons, household workers, and certain business owners and cooperative employees.

Special system for civil servants of the central government employed before December 31, 2005, and civil servants of local governments employed before December 31, 2007.

**Social assistance:** Needy residents of Cabo Verde not covered by social insurance, including certain noncitizens who have resided in Cabo Verde for at least 10 years.

#### Source of Funds

##### Insured person

**Social insurance:** 3% of gross monthly earnings plus 1% of gross monthly earnings for administrative fees.

The insured person's administrative fees also finance administrative fees for sickness and maternity benefits.

**Social assistance:** None; see source of funds under Sickness and Maternity for the funeral grant.

##### Self-employed person

**Social insurance:** 10% of gross monthly earnings plus 1.5% of gross monthly earnings for administrative fees.

The self-employed person's administrative fees also finance administrative fees for sickness and maternity benefits.

**Social assistance:** None.

#### Employer

**Social insurance:** 7% of gross monthly payroll plus 1% of gross monthly payroll for administrative fees; for micro and small enterprises, 2.8% of volume of sales (for all branches) plus 3% of gross monthly payroll. See source of funds under Family Allowances for the social insurance funeral grant.

The employer's administrative fees also finance administrative fees for sickness and maternity benefits.

**Social assistance:** None.

#### Government

**Social insurance:** None; contributes as an employer.

**Social assistance:** The total cost.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 65 (men) or age 60 (women) with at least nine years of contributions (rising to 10 years in 2018 and to 15 years in 2019).

The pension is payable abroad.

**Old-age social pension (social assistance, income tested):** Age 60 with monthly household income below the extreme poverty threshold set by the national statistics institute.

The pension is payable abroad under reciprocal agreement.

**Disability pension (social insurance):** Must be assessed with at least a 66.7% degree of disability or at least a 33.3% loss of earning capacity and have at least five years of contributions.

The pension is payable abroad.

**Disability social pension (social assistance, income tested):** Aged 18 to 60, assessed as permanently disabled, with monthly household income below the extreme poverty threshold set by the national statistics institute.

The pension is payable abroad under reciprocal agreement.

**Survivor pension (social insurance):** The deceased received or was entitled to receive a social insurance old-age or disability pension or had at least 36 months of contributions at the time of death.

Eligible survivors include a widow(er) and children younger than age 18 (up to age 25 depending on the type of continuing education; no limit if disabled).

The widow(er)'s pension ceases upon remarriage.

The pension is payable abroad.

**Survivor social pension (social assistance, income tested):** The deceased received or was entitled to receive an old-age or disability social pension.

Eligible survivors include a widow(er) who was living with the deceased, or any legal heir aged 18 to 60.

The pension is payable abroad under reciprocal agreement.

**Funeral grant (social insurance):** Paid when an insured person or one of his or her dependents dies. Paid to the deceased's widow(er), parents, children, descendants, or the person who paid for the funeral.

**Funeral grant (social assistance, income tested):** The beneficiary received an old-age or disability social pension for at least six months.

### Old-Age Benefits

**Old-age pension (social insurance):** 14% (decreasing to 13% in 2018) of the insured's average monthly earnings plus 1.5% (increasing to 2% in 2019) of the insured's average monthly earnings for each year of contributions.

The average earnings used to calculate benefits are the best six years in the last 10 years of contributions. (From 2019, the 10 best years in the last 15 years of contributions.) Past earnings are adjusted using the consumer price index.

The minimum monthly pension is 6,000 escudos.

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

Benefit adjustment: Benefits are adjusted periodically according to changes in the average salary of civil servants.

**Old-age social pension (social assistance, income tested):** 5,000 escudos a month.

### Permanent Disability Benefits

**Disability pension (social insurance):** 14% (decreasing to 13% in 2018) of the insured's average monthly earnings plus 1.5% (increasing to 2% in 2019) of the insured's average monthly earnings for each year of contributions.

The average earnings used to calculate benefits are the six best years in the last 10 years of contributions. (From 2019, the 10 best years in the last 15 years of contributions.) Past earnings are adjusted using the consumer price index.

The minimum monthly pension is 6,000 escudos.

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

Benefit adjustment: Benefits are adjusted periodically according to changes in the average salary of civil servants.

**Disability social pension (social assistance, income tested):** 5,000 escudos a month is paid.

### Survivor Benefits

#### Survivor pension (social insurance)

*Spouse's pension:* 50% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid.

The pension is paid for five years to a widow younger than 50 and a widower younger than age 55; for life if the widow(er) is disabled, the widow is age 50 or older, or the widower is age 55 or older.

*Orphan's pension:* 25% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid for each orphan; 50% for each full orphan.

The pension is paid for five years; for life to an orphan with a disability.

The maximum combined survivor pension is 100% of the social insurance old-age or disability pension the deceased received or was entitled to receive.

Benefit adjustment: Benefits are adjusted periodically according to changes in the average salary of civil servants.

**Survivor social pension (social assistance, income tested):** 5,000 escudos a month is paid for 12 months if the eligible survivor is aged 18 to 45; for life if the eligible survivor is older than 45.

**Funeral grant (social insurance):** The cost of the funeral, up to 30,000 escudos, is paid when the insured, the insured's spouse, or the insured's child older than age 14 dies; 20,000 escudos for children aged 5 to 14; 12,000 escudos for children younger than age 5.

Benefit adjustment: Benefits are adjusted periodically.

**Funeral grant (social assistance, income tested):** A lump sum of 7,000 escudos is paid.

### Administrative Organization

Ministry of Health and Social Security (<http://www.minsaude.gov.cv/>) provides general supervision of the social insurance programs.

National Social Insurance Institute (INPS; <http://www.inps.cv/>) administers the social insurance programs.

Ministry of Education, Family, and Social Inclusion (<http://www.minedu.gov.cv/>) provides general supervision of the social assistance programs.

National Centre of Social Pensions (<http://www.cnps.cv/>) administers the social assistance programs.

Ministry of Finance and Planning (<http://www.minfin.gov.cv/>) supervises the financing of the programs.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1976.

**Current laws:** 2003 (self-employed persons), 2004 (employed persons), 2006 (civil servants), 2006 (cooperatives), 2006 (community-based social insurance for social pensioners), 2007 (municipal agents), 2007 (labor code), 2009 (self-employed persons), and 2009 (household workers).

**Type of program:** Social insurance and community-based social insurance system.

## Coverage

**Social insurance:** Public- and private-sector employees, self-employed persons, and household workers.

Business owners, cooperative employees, pensioners, and recipients of social insurance benefits are covered for medical benefits only.

**Community-based social insurance:** Old-age or disability social pensioners.

## Source of Funds

### Insured person

**Social insurance:** 4% of gross monthly earnings plus administrative fees (see Old Age, Disability, and Survivors).

**Community-based social insurance:** 2% of the monthly old-age or disability social pension.

The insured person's contributions also finance the social assistance funeral grant.

### Self-employed person

**Social insurance:** 8% of gross monthly earnings plus administrative fees (see Old Age, Disability, and Survivors).

**Community-based social insurance:** None.

### Employer

**Social insurance:** 4% of gross monthly payroll plus administrative fees (see Old Age, Disability, and Survivors).

**Community-based social insurance:** None.

### Government

**Social insurance:** None; contributes as an employer.

**Community-based social insurance:** None.

## Qualifying Conditions

**Cash sickness and maternity benefits (social insurance):** Must have at least four months of contributions.

**Medical benefits (social insurance):** Must have at least four months of contributions.

**Medical benefits (community-based social insurance):** Must have at least six months of contributions.

## Sickness and Maternity Benefits

**Sickness benefit (social insurance):** 70% of the insured's average daily earnings in the last four months is paid from the fourth day of the illness for up to 1,095 days. The employer pays 100% of earnings for the first three days. If the sickness lasts longer than 30 days, a medical board must evaluate the insured's health status.

**Maternity benefit (social insurance):** 90% of the insured's average daily earnings in the last four months is paid for up

to 60 days. The benefit is paid as a lump sum. (A nursing allowance is paid under Family Allowances.)

## Workers' Medical Benefits

**Medical benefits (social insurance):** Benefits include general and specialist care, surgery, hospitalization, laboratory services, doctor's home visits, medicine, prostheses, and dental care.

The Ministry of Health provides medical care directly through public clinics and hospitals. The National Social Insurance Institute reimburses certain treatments not available in public clinics and hospitals.

**Cost sharing:** Insured persons pay 15%, 25%, 45%, or 50% of the cost of medicine, according to a schedule in law; pensioners pay 5%, 15%, 40%, or 45%. Medicine is 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 pay 15% less than insured persons and pensioners for dental care, prostheses, and appliances.

1,300 escudos (1,700 escudos for low-income pensioners) a day is paid if domestic travel is required; 2,300 escudos (3,200 escudos for low-income pensioners) when the pensioner is accompanied by an authorized person.

2,000 escudos (3,200 escudos for low-income pensioners) a day is paid if foreign travel is required (must be authorized by the Ministry of Health); 3,200 escudos (5,000 escudos for low-income pensioners) when the pensioner is accompanied by an authorized person.

Low-income pensioners are persons earning less than 2.5 times the monthly minimum wage for public-sector workers.

The monthly minimum wage for public-sector workers is 15,000 escudos.

**Medical benefits (community-based social insurance):** Up to 2,500 escudos a year is reimbursed for medicine.

## Dependents' Medical Benefits

### Medical benefits for dependents (social insurance):

Medical benefits for dependents are the same as those for the insured.

Eligible dependents include children up to age 18 or receiving family allowances, a spouse or legal partner who is not employed, dependent parents, and dependent grandparents.

**Medical benefits for dependents (community-based social insurance):** Information not available.

## Administrative Organization

Ministry of Health and Social Security (<http://www.minsaude.gov.cv/>) provides general supervision of the social insurance programs.

National Social Insurance Institute (INPS; <http://www.inps.cv/>) administers the cash sickness and maternity benefits.

National Health Service administers the social insurance medical benefits.

National Centre of Social Pensions (<http://www.cnps.cv/>) administers the social assistance medical benefits.

## Work Injury

### Regulatory Framework

**First law:** 1960.

**Current laws:** 1978 (compulsory insurance) and 1991 (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 and 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 used to calculate contributions 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 used to calculate contributions are 300 escudos.

**Government:** None.

### Qualifying Conditions

There is no minimum 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, 40% of the insured's earnings on the day the injury occurred (40% of average earnings in the last six months if those earnings differ from the insured's normal earnings) is paid for the first 14 days; thereafter, 70%. For hospitalization, the benefit is 40% of the insured's earnings; 70% with dependents. The benefit is paid for up to 1,095 days.

The maximum daily earnings used to calculate benefits are 300 escudos.

Partial disability: 25% of the insured's earnings on the day the injury occurred is paid (40% of average earnings in the last six months if those earnings differ from the insured's normal earnings).

### Permanent Disability Benefits

**Permanent disability pension:** If the insured is assessed with a total (100%) disability, 70% of the insured's earnings on the day the injury occurred is paid from the day after the disability began (70% of average earnings in the last six months if those earnings differ from the insured's normal earnings). The employer pays the insured's earnings for the day of the work injury.

The maximum daily earnings used to calculate benefits 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.

Partial disability: For an assessed degree of disability of 10% to 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 a schedule in law.

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

Benefit adjustment: Benefits are adjusted according to 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

**Spouse's pension:** 30% of the deceased's earnings on the day the injury occurred (30% of the deceased's average earnings in the last six months if those earnings differ from normal earnings) is paid.

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 used to calculate benefits are 300 escudos.

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

Remarriage allowance: A lump sum of one year of the pension is paid.

**Orphan's pension:** 15% of the deceased's earnings on the day the injury occurred (15% of the deceased's average earnings in the last six months if those earnings differ from normal earnings) is paid for each dependent child up to age 18 (age 24 if a student, no limit if disabled); 45% for each full orphan.

**Other eligible survivors:** 10% of the deceased's earnings on the day the injury occurred (10% of the deceased's average earnings in the last six months if those earnings differ from normal earnings) is paid to each dependent parent, dependent grandparent, and dependent brother and sister up to age 16.

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

The maximum combined survivor benefit is 70% of the deceased's monthly earnings.

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

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

### **Administrative Organization**

Ministry of Health and Social Security (<http://www.minsaude.gov.cv/>) provides general supervision of the program.

Private insurance companies administer the program.

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## **Unemployment**

### **Regulatory Framework**

**First and current law:** 2016 (unemployment).

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

### **Coverage**

Employed persons.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** 0.5% of gross monthly earnings.

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

**Employer:** 2.5% of gross monthly payroll.

**Government:** 1.5% of insured's gross monthly earnings (INPS); contributes as an employer.

### **Qualifying Conditions**

Must have at least 180 days of coverage and be involuntarily unemployed.

### **Unemployment Benefits**

65% of the insured's average reference salary is paid, for up to two months (up to three months for those with more than 24 months of contributions). An additional month of the unemployment benefit is paid if aged 35 or older (two months if aged 50 or older).

The average reference salary is the average monthly salary in the six months before unemployment.

The maximum monthly unemployment benefit is 2.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 11,000 escudos.

### **Administrative Organization**

Ministry of Health and Social Security (<http://www.minsaude.gov.cv/>) provides general supervision of the program.

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

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## **Family Allowances**

### **Regulatory Framework**

**First law:** 1957.

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

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

### **Coverage**

Public- and private-sector employees (including civil servants of the central government first employed after December 31, 2005, and civil servants of the local governments after December 31, 2007), and old-age and disability pensioners and their dependents.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** 1.5% of gross monthly payroll.

The employer's contributions also finance the social insurance funeral grant.

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

### **Qualifying Conditions**

**Family allowance:** Paid for children younger than age 15 (age 25 if a student, no limit if disabled) and for the insured's parents if each parent's income is less than the monthly minimum wage for public-sector workers.

The monthly minimum wage for public-sector workers is 15,000 escudos.

**Nursing allowance:** A benefit is paid.

### ***Family Allowance Benefits***

**Family allowance:** 500 escudos a month is paid for each eligible dependent; 2,000 escudos a month for each child with a disability younger than age 14; 3,000 escudos a month for each child with a disability aged 14 or older. The allowance is paid for up to four children; the limit on the number of children is waived if the insured is deceased and the mother is an unemployed widow.

**Nursing allowance:** 1,500 escudos a month is paid for six months.

Benefit adjustment: Benefits are adjusted periodically.

### ***Administrative Organization***

Ministry of Health and Social Security (<http://www.minsaude.gov.cv/>) provides general supervision of the programs.

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