

## Cape Verde

Exchange rate: US\$1.00 equals 83.94 escudos.

### **Old Age, Disability, and Survivors**

#### **Regulatory Framework**

**First law:** 1957.

**Current laws:** 2003 (self-employed persons) and 2004 (employed persons).

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

#### **Coverage**

Employed persons in the private and public sectors.

Special systems for government employees, central bank employees, and the self-employed.

#### **Source of Funds**

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

**Self-employed person:** Not applicable (covered by a special system).

**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 15 years of contributions.

The pension is payable abroad.

**Disability pension:** Assessed as 2/3 disabled or disabled with a loss of 1/3 of earning capacity, with 5 years of contributions.

The pension is payable abroad.

**Survivor pension:** The insured was a pensioner or had 36 months of contributions.

The pension is payable abroad.

Eligible survivors include a widow older than age 50 or disabled, a widower older than age 55 or disabled, and physically or mentally disabled children.

A temporary survivor pension is payable for up to 5 years to a widow younger than age 50, to a widower younger than age 55, and to children aged 15 to 25 who are students.

#### **Old-Age Benefits**

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

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

The minimum monthly pension is 4,620 escudos. (The minimum monthly pension was last adjusted in 2005.)

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

**Benefit adjustment:** Pensions are adjusted by decree periodically. (The pensions were last adjusted in 2005.)

#### **Permanent Disability Benefits**

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

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

The minimum monthly pension is 4,620 escudos. (The minimum monthly pension was last adjusted in 2005.)

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

**Benefit adjustment:** Pensions are adjusted by decree periodically. (The pensions were last adjusted in 2005.)

#### **Survivor Benefits**

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

The pension ceases on remarriage.

**Orphan's pension:** The monthly pension is equal to 25% of the deceased's pension for each orphan; 50% for each full orphan.

The maximum monthly survivor pension is equal to 100% of the deceased's pension.

**Benefit adjustment:** Pensions are adjusted by decree periodically. (The pensions were last adjusted in 2005.)

#### **Administrative Organization**

Ministry of Labor and Solidarity provides general supervision. National Social Insurance Institute administers the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1976.

**Current laws:** 2003 (self-employed persons) and 2004 (employed persons).

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

## Coverage

Employed persons in the private and public sectors. The self-employed, pensioners, and recipients of social insurance benefits are covered for medical benefits. Special systems provide cash benefits for government employees and the self-employed.

## Source of Funds

**Insured person:** 4% of gross monthly earnings.  
**Self-employed person:** Not applicable (covered by a special system).  
**Employer:** 4% of gross monthly payroll.  
**Government:** None; contributes as an employer.

## Qualifying Conditions

**Cash sickness and maternity benefits:** Six months of contributions.

## Sickness and Maternity Benefits

**Sickness benefit:** The benefit is equal to 60% of the insured's last monthly earnings or average earnings during the last 6 months, whichever is higher. The benefit is payable for up to 1,095 days. The employer pays 100% of earnings for the first 3 days; thereafter, 40% up to the 90th day.

**Maternity benefit:** The benefit is equal to 90% of the insured's last monthly earnings or average earnings in the last 6 months, whichever is higher. The benefit is payable for 45 days. (A nursing allowance is payable 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: The insured pays 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. The insured pays 30% to 50% of the cost of dental care; 15% for low-income pensioners. The insured pays 20%, 25%, 30%, or 40% of the cost of prostheses and appliances; 15% for low-income pensioners.

A daily benefit 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 benefit is also payable for an authorized accompanying person.

Low-income pensioners are pensioners with earnings less than 2.5 times the legal minimum wage. The monthly legal minimum wage is 12,269 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 benefits, dependent parents, and dependent grandparents.

Cost sharing: The insured's dependents 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 low-income pensioners' dependents. The insured's dependents pay 30% to 50% of the cost of dental care; 15% for low-income pensioners' dependents. The insured's dependents pay 20%, 25%, 30%, or 40% of the cost of prostheses and appliances; 15% for low-income pensioners' dependents.

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 payable for an authorized accompanying person.

Low-income pensioners are pensioners with earnings less than 2.5 times the legal minimum wage. The monthly legal minimum wage is 12,269 escudos.

## Administrative Organization

Ministry of Health provides general supervision.  
 National Health Service administers the program.

## 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 government employees.

## Source of Funds

**Insured person:** None.

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

The maximum daily earnings for contribution purposes are 300 escudos.

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

The maximum daily earnings for contribution 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 totally disabled, 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 40% of the insured's earnings; 70% with dependents.

The maximum daily earnings for benefit 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 the average earnings in the last 6 months).

## Permanent Disability Benefits

**Permanent disability pension:** If totally disabled, 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:** Up to 30% of the insured's earnings.

**Partial disability:** If the assessed degree of disability is between 10% and 99%, the monthly pension equals a percentage of the full disability pension 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 payable from the day following the onset of disability (the employer pays the insured's earnings for the day of the work injury).

**Benefit adjustment:** Pensions 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. (The pension is split equally if there is more than one eligible divorced spouse.)

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

The pension ceases on remarriage or if the widow(er) cohabits with a partner.

**Remarriage allowance:** A lump sum equal to a year's 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% of the deceased's earnings for each full orphan.

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

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

The total monthly survivor pension must not exceed 70% of the deceased's earnings.

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

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

## Administrative Organization

Ministry of Labor and Solidarity 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.

Special system for government employees.

### **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 14 (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 2,000 escudos.

### **Family Allowance Benefits**

**Family allowances:** A monthly allowance of 400 escudos is payable 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 payable for a maximum of four children; the limit on the number of children is waived if the parent is a pensioner or the insured is deceased and the mother is an unemployed widow.

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

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

**Benefit adjustment:** Benefits are adjusted periodically. (The benefits were last adjusted in 2005.)

### **Administrative Organization**

Ministry of Labor and Solidarity provides general supervision.

National Social Insurance Institute administers the program.