

## San Marino

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

Note: This information dates from 2004.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1955 (social security system) and 1983 (pension reform).

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

#### Coverage

Employed and self-employed persons.

#### Source of Funds

**Insured person:** 1.9% of gross earnings.

The insured's contributions also finance work injury benefits.

**Self-employed person:** Contribution rates vary between 10% and 19.5% of earnings, according to the category of self-employment.

The self-employed person's contributions also finance work injury benefits.

**Employer:** 10% of payroll.

The employer's contributions also finance work injury benefits.

**Government:** Contributes an amount equal to 10% of total contributions (higher contributions are made on behalf of agricultural workers); may rise to 25% to cover any deficit. Government contributions also finance work injury benefits.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men and women) with at least 20 years of contributions (4,320 days of contributions); age 60 (men and women) with at least 40 years of contributions. For insured persons who entered the labor force before January 1, 2002, transitional provisions apply.

**Partial pension:** A reduced pension is paid at age 60 if the insured has at least 35 years, but less than 40 years of contributions.

**Deferred pension:** A deferred pension is possible.

**Disability pension:** Paid for a loss of working capacity of at least 66% with at least 2 years of contributions in the last 4 years before the disability began.

**Survivor pension:** The deceased had at least 2 years of contributions in the last 4 years before death.

Eligible survivors are a widow, a disabled or unemployed widower, and children younger than age 18 or disabled. The widow(er) must have been married to, and living with, the deceased at the time of death.

**Funeral allowance:** The deceased had at least 3 months of contributions in the last 6 months before death.

#### Old-Age Benefits

**Old-age pension:** The pension is based on 2% of half a legally fixed amount for each year of coverage plus 1.5% of the portion of reference earnings that exceeds the legally fixed amount.

Reference earnings for benefit calculation purposes are equal to the average daily earnings of the last 10 calendar years before retirement, multiplied by 16.615. Earnings used for benefit calculations are adjusted according to changes in the cost-of-living index.

A means-tested minimum pension is paid.

The pension must not exceed a legally set percentage of the insured's last monthly earnings before retirement.

Transitional provisions apply to persons with at least 216 days of contributions before January 1, 2005.

**Partial pension:** If aged 60 with at least 35 years of contributions, the pension is reduced by 4% for each year of contributions less than 40 years.

**Deferred pension:** The pension is increased by 3% for each year of deferral after the normal retirement age.

**Benefit adjustment:** Benefits are adjusted according to changes in the cost-of-living index.

#### Permanent Disability Benefits

**Disability pension:** If assessed as totally disabled, the annual pension is equal to 60% of the insured's annual earnings in the last year before the disability began.

Annual earnings correspond to 300 working days.

**Partial disability:** A percentage of the disability pension is paid according to the assessed degree of disability.

**Constant-attendance supplement:** The disability pension is raised to 100% of annual earnings.

**Benefit adjustment:** Benefits are adjusted according to changes in the cost-of-living index.

#### Survivor Benefits

**Survivor pension:** 50% of the deceased's disability pension is paid to the surviving spouse.

The pension ceases on remarriage.

**Orphan's pension:** Each child younger than age 18 (no limit if disabled) receives 20% of the deceased's disability pension; 40% for a full orphan.

All survivor benefits combined must not exceed 90% of the deceased's disability pension.

**Funeral allowance:** A lump sum is paid to the person who pays for the insured's funeral.

### **Administrative Organization**

National Social Security Institute administers the program.

## **Sickness and Maternity**

### **Regulatory Framework**

**First and current laws:** 1955 (medical benefits), 1965 (welfare), 1967 (cash benefits), and 1968 (self-employed).

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

### **Coverage**

**Cash sickness and maternity benefits:** Employed and self-employed persons.

**Medical benefits:** All persons residing in San Marino.

### **Source of Funds**

**Insured person:** 3.5% of gross earnings.

**Self-employed person:** Variable contributions.

**Employer:** 5% of payroll.

**Government:** None (cash benefits); 50% of direct taxes collected by the state (medical benefits).

### **Qualifying Conditions**

**Cash sickness and maternity benefits:** There is no qualifying period.

**Medical benefits:** There is no qualifying period.

### **Sickness and Maternity Benefits**

**Sickness benefit:** The benefit is equal to 86% of the insured's monthly earnings for the first 15 days, 100% until the end of the 6th month, and 86% until the end of the 12th month. The benefit is paid for up to 365 days for workers with permanent employment contracts; to the end of the employment contract for workers with short-term employment contracts.

**Maternity benefit:** The benefit is equal to 100% of the insured's earnings and is paid for 5 months (2 months before and 3 months after the expected date of childbirth); thereafter, mothers can remain on leave and receive a benefit equal to 30% of earnings for 7 months and 20% of earnings for

the next 6 months or they can return to work and take up to 2 hours of leave a day on full pay for 13 months.

### **Workers' Medical Benefits**

Medical services are provided by doctors of the National Social Security Institute and state hospitals. Benefits include all medical services, hospitalization, maternity care, and pharmaceuticals.

Dental care is provided free for tooth extractions and for the first course of treatment. There is a fee for subsequent treatment (dental services are free for children up to age 14 and for pensioners).

There is no cost sharing.

There is no limit to duration.

### **Dependents' Medical Benefits**

Medical services are provided by doctors of the National Social Security Institute and state hospitals. Benefits include all medical services, hospitalization, maternity care, and pharmaceuticals.

Dental care is provided free for tooth extractions and for the first course of treatment. There is a fee for subsequent treatment (dental services are free for children up to age 14 and for pensioners).

There is no cost sharing.

There is no limit to duration.

### **Administrative Organization**

National Social Security Institute administers the program.

## **Work Injury**

### **Regulatory Framework**

**First and current law:** 1983 (pensions).

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

### **Coverage**

Employed and self-employed persons.

### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

The benefit is equal to 100% of the insured's earnings.

### **Permanent Disability Benefits**

**Permanent disability benefit:** If assessed as totally disabled, the annual pension is equal to 60% of the insured's annual earnings in the last year before the disability began.

Annual earnings correspond to 300 working days.

Partial disability: A percentage of the disability pension is paid according to the assessed degree of disability. There is no entitlement if the assessed degree of disability is less than 20%.

Constant-attendance supplement: The disability pension is raised to 100% of annual earnings.

Benefit adjustment: Benefits are adjusted according to changes in the cost-of-living index.

### **Workers' Medical Benefits**

All necessary medical services and benefits are provided free of charge.

### **Survivor Benefits**

**Survivor pension:** 50% of the deceased's disability pension is paid to the surviving spouse.

The pension ceases on remarriage.

**Orphan's pension:** Each child younger than age 18 (no limit if disabled) receives 20% of the deceased's disability pension; 40% for a full orphan.

All survivor benefits combined must not exceed 90% of the deceased's disability pension.

**Funeral allowance:** A lump sum is paid to the person who pays for the insured's funeral.

### **Administrative Organization**

National Social Security Institute administers the program.

State hospitals, or government-approved establishments, deliver medical services.

### **Unemployment**

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#### **Regulatory Framework**

**First and current laws:** 1967 (unemployment), 1977 (temporary unemployment), and 1980 (special economic benefit).

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

### **Coverage**

**Unemployment benefit:** Salaried employees.

Exclusions: Civil servants and self-employed persons.

**Temporary unemployment benefit:** Industrial and business employees and craftsmen.

### **Source of Funds**

#### **Unemployment benefits**

*Insured person:* 0.5% of gross earnings.

*Self-employed person:* Not applicable.

*Employer:* 1.5% of payroll.

*Government:* None.

#### **Temporary unemployment benefits**

*Insured person:* None.

*Self-employed person:* Not applicable.

*Employer:* 2% or 4% of payroll.

*Government:* None.

### **Qualifying Conditions**

**Unemployment benefit:** Paid to unemployed insured employees.

**Special economic benefit:** Paid in the event of mass unemployment or the closure of the place of employment.

**Temporary unemployment benefit:** Paid for temporary unemployment that results from unforeseen circumstances, restructuring, or a short-term market downturn.

### **Unemployment Benefits**

**Unemployment benefit:** The benefit is equal to 50% of the insured's average earnings in the 3 months before unemployment and is paid for up to 100 days a year for permanent contract workers; 25% of average earnings for up to 50 days for temporary contract workers.

**Special economic benefit:** The benefit is equal to 75% of the insured's earnings and is paid for up to 6 months; thereafter, 65% of earnings for up to 6 months.

**Temporary unemployment benefit:** The benefit is equal to 86% of the insured's earnings and is paid for up to 9 months.

### **Administrative Organization**

National Social Security Institute administers the program.

## ***Family Allowances***

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### ***Regulatory Framework***

Under a 1946 law, family benefits are provided through an employment-related program.