

## Guatemala

Exchange rate: U.S.\$1.00 equals 7.90 quetzales.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1969, implemented on a national level in 1977.

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

#### Coverage

Employees, including agricultural workers and some public-sector employees.

Voluntary coverage is possible.

Special system for other public-sector employees.

#### Source of Funds

**Insured person:** 1.83 % of earnings; 5.5% of earnings for the voluntarily insured.

**Employer:** 3.67% of payroll.

**Government:** 25% of the cost of benefits paid; also contributes as an employer.

The maximum monthly earnings for benefit purposes are 6,000 quetzales.

#### Qualifying Conditions

**Old-age pension:** Age 62 with 180 months of contributions. The pensionable age will increase to age 63 in 2004, to age 64 in 2006, and to age 65 in 2008.

**Disability pension:** Assessed as disabled with 36 months of contributions during the last 6 years and under age 45; 60 months of contributions during the last 9 years and aged 45 to 54; 120 months of contributions during the last 12 years and age 55 (may be younger in certain cases).

The disability pension is awarded according to two degrees of disability: total disability, involving the loss of 2/3 of earning capacity; and severe disability, involving the complete loss of earning capacity and the need for the constant attendance of another person.

**Survivor pension:** The insured had at least 36 months of contributions during the last 6 years or was receiving a pension or qualified for the old-age pension at the time of death.

#### Old-Age Benefits

**Old-age pension:** 50% of the average wage in the last 60 months, plus an additional 0.5% of the remuneration base for each 6-month period of contributions beyond 120 months.

Dependents' supplements: 10% of the insured's pension for a wife or partner or a disabled husband, for each child under age 18 or disabled, and for a dependent mother and a dependent disabled father.

The minimum monthly pension, including dependents' supplements, is 340 quetzales.

The maximum monthly pension, including dependents' supplements, is 4,800 quetzales.

The maximum pension received by a family is 80% of the insured's earnings, up to 6,000 quetzales.

Benefit adjustment: Benefits are adjusted at least every 3 years according to an actuarial assessment.

#### Permanent Disability Benefits

**Disability pension:** For total disability, 50% of the average wage in the last 36 months, plus an additional 0.5% of the remuneration base for each 6-month period of contributions beyond 120 months. If the insured has worked for less than 36 months, the pension is 50% of average wages for the total number of months worked.

Dependents' supplements: 10% of the insured's pension for a wife or partner or a disabled husband, for each child under age 18 or disabled, and for a dependent mother and a dependent disabled father.

The minimum monthly pension is 340 quetzales.

The maximum monthly pension is 4,800 quetzales.

Constant-attendance supplement: In the case of severe disability, 25% of the insured's pension.

Benefit adjustment: Benefits are adjusted at least every 3 years according to an actuarial assessment.

#### Survivor Benefits

**Survivor pension:** 50% of the total disability or old-age pension paid or payable to the insured. The pension is payable to a widow or a disabled widower. The minimum monthly pension for a spouse is 170 quetzales.

**Orphan's pension:** 25% of the insured's pension, but no less than 85 quetzales a month, for each orphan under age 18 (no limit if disabled); or 50% of the insured's pension for each full orphan, but no less than 170 quetzales a month.

**Dependent parents:** 25% of the insured's pension each. The minimum monthly pension for a dependent parent is 85 quetzales a month.

The maximum survivor pension is 100% of the insured's pension; the sum of minimum survivor benefits cannot exceed 340 quetzales a month.

**Funeral grant:** A lump sum of 480 quetzales.

Benefit adjustment: Benefits are adjusted at least every 3 years according to an actuarial assessment.

### **Administrative Organization**

Ministry of Labor and Social Welfare provides general supervision.

Social Security Institute administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First laws:** 1946 and 1953 (maternity).

**Current law:** 1968 (sickness and maternity), with 2003 amendment.

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

#### **Coverage**

Employees of firms with three or more workers. Freight or passenger transport enterprises with one or more workers.

Free medical care for accidents, sickness, and maternity for pensioners is provided through the Old Age, Disability, and Survivors program in 19 departments.

#### **Source of Funds**

**Insured person:** 2% of earnings.

**Employer:** 4% of payroll.

**Government:** 2% of payroll.

#### **Qualifying Conditions**

**Cash benefits:** Four months of contributions in the 6 months prior to the onset of illness.

**Benefits in kind:** In covered employment.

#### **Sickness and Maternity Benefits**

**Sickness benefit:** 2/3 of average earnings (according to the applicable formula). The benefit is payable after a 3-day waiting period for up to 26 weeks; may be extended in some cases to 39 weeks. The receipt of benefit for multiple periods of illness cannot exceed 52 weeks in a 24-month period.

The maximum monthly benefit is 2,400 quetzales.

**Maternity benefit:** 100% of earnings, payable for 30 days before and 54 days after the expected date of childbirth. Nursing mothers are also permitted 1 hour a day to nurse their child for up to 10 months.

**Benefit adjustment:** Benefits are adjusted at least every 3 years according to an actuarial assessment.

#### **Workers' Medical Benefits**

Benefits include general, specialist, and maternity care; surgery; hospitalization; pharmaceuticals; laboratory services; X-rays; appliances; transportation; rehabilitation; and

retraining. Medical services are normally provided directly to patients through the medical facilities of the Social Security Institute.

#### **Dependents' Medical Benefits**

The wife or companion of an insured man receives the same maternity care as an insured woman and in 19 departments also receives sickness and accident benefits.

#### **Administrative Organization**

Ministry of Labor and Social Welfare provides general supervision.

Social Security Institute administers the program.

Social Security Institute operates 24 hospitals, 34 clinics, 10 first-aid stations, 8 dispensaries, 2 assistance units, 3 annexes attached to national hospitals, and 2 contract services.

#### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1947.

**Current law:** 1994, with 2003 amendment.

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

#### **Coverage**

All insured workers in the country.

#### **Source of Funds**

**Insured person:** 1% of earnings.

**Employer:** 3% of payroll.

**Government:** 1.5% of payroll.

#### **Qualifying Conditions**

**Work injury benefits:** Four months of contributions prior to the onset of the work injury.

#### **Temporary Disability Benefits**

2/3 of earnings, payable after a 1-day waiting period.

The minimum daily benefit is 8 quetzales.

The maximum monthly benefit is 2,400 quetzales.

**Benefit adjustment:** Benefits are adjusted at least every 3 years according to an actuarial assessment.

#### **Permanent Disability Benefits**

A lump sum of between 495 quetzales and 4,950 quetzales, according to the assessed degree of disability.

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Benefit adjustment: Benefits are adjusted at least every 3 years according to an actuarial assessment.

### ***Workers' Medical Benefits***

Benefits include medical treatment, surgery, hospitalization, medicines, appliances, transportation, rehabilitation services, and retraining.

### ***Survivor Benefits***

**Funeral grant:** 412.50 quetzales for funeral expenses.

Benefit adjustment: Benefits are adjusted at least every 3 years according to an actuarial assessment.

### ***Administrative Organization***

Ministry of Labor and Social Welfare provides general supervision.

Social Security Institute administers contributions and benefits.

Social Security Institute provides medical benefits through its own hospitals and clinics as well as through private clinics.