

Nicaragua

Exchange rate: US\$1.00 = 27.45 córdobas.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1956 (social security), implemented in 1957.

Current law: 1982 (social security).

Type of program: Social insurance system.

Coverage

Employed persons; farmers and cooperatives who benefited from the Agrarian reform; members of professional associations and clergy; and members of cooperatives.

Voluntary coverage for self-employed persons, clergy (not covered by compulsory insurance), employers, and workers who were previously covered by compulsory insurance.

Exclusions: Seasonal agricultural workers and military and police personnel.

Source of Funds

Insured person: 4% of covered earnings.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 3,014.41 córdobas (agriculture), 4,062.79 (industry), and 6,761.91 córdobas (construction, finance, and insurance).

The maximum monthly earnings used to calculate contributions are 72,410 córdobas.

The insured person's contribution also finances family allowances.

Self-employed person: 10% of declared earnings (old-age, disability, and survivor benefits and dependent supplements). Clergy contribute 7.60% of declared earnings (old-age, disability, and survivor benefits).

The minimum earnings used to calculate contributions are 5,122 córdobas.

The maximum earnings used to calculate contributions are 72,410 córdobas.

Employer: 9% of covered payroll (rising to 9.5% in 2016 and 10% in 2017).

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 3,014.41 córdobas (agriculture), 4,062.79 (industry), and 6,761.91 córdobas (construction, finance, and insurance).

The maximum monthly earnings used to calculate contributions are 72,410 córdobas.

The employer's contribution also finances family allowances.

Government: Contributes as an employer.

The government's contribution also finances family allowances.

Qualifying Conditions

Old-age pension: Age 60 with at least 750 weeks of contributions. Those who enrolled after age 45 must have half the number of weeks from the date coverage began until the pensionable age, with at least 250 weeks of contributions.

Age 55 for miners and those in arduous work with at least 15 years of contributions. Age 55 for teachers with at least 1,500 weeks of contributions (men) or 750 weeks of contributions (women).

Reduced pension: Age 60 with at least 250 weeks but less than 750 weeks of contributions.

Deferred pension: The pension may be deferred until age 65.

Constant-attendance allowance: Paid if the insured requires the constant attendance of others to perform daily functions.

Dependent's supplement: Paid for a wife or disabled husband, children younger than age 15 (age 21 if student, no limit if disabled), and dependent relatives older than age 60 or disabled.

A pensioner who works must pay contributions. The salary must not exceed the amount of pension.

Old-age pensions are not payable abroad.

Disability pension: Assessed with a total (loss of at least 67% of earning capacity) or partial (loss of 50% to 66% of earning capacity) disability with at least 150 weeks of contributions in the last six years or at least 250 total weeks of contributions.

Constant-attendance allowance: The insured requires the constant attendance of others to perform daily functions.

Dependent's supplement: Assessed with a total disability. The supplement is paid for a wife or disabled husband, children younger than age 15 (age 21 if student, no limit if disabled), and dependent relatives older than age 60 or disabled.

The disability pension is replaced by the old-age pension at age 60. If the insured is not entitled to receive an old-age pension, a partial disability pension is increased to the value of the total disability benefit at age 60 if the beneficiary retires from all gainful employment.

The assessed loss of earning capacity is reviewed every three years.

Disability pensions are not payable abroad.

Survivor pension: The deceased received or was entitled to receive an old-age or disability pension at the time of death.

Eligible survivors include a widow or a dependent, disabled widower, orphans younger than age 15 (age 21 if a student, no limit if disabled), and, if there are no other survivors, other dependent relatives older than age 60 or disabled.

The widow(er)'s pension ceases on remarriage or cohabitation and a lump sum is paid.

Survivor pensions are not payable abroad.

Funeral grant: The deceased had at least four weeks of contributions in the 26 weeks before death.

Old-Age Benefits

Old-age pension: With average earnings of more than twice the minimum wage, 37% of average earnings plus 1.15% for each additional 52-week period of contributions exceeding 150 weeks is paid. With average earnings of up to twice the minimum wage, 45% of average earnings plus 1.591% for each additional 52-week period of contributions exceeding 150 weeks is paid.

Average earnings are the average of the insured's last 250 weeks of contributions or the 250 weeks before the last 250 weeks of earnings (whichever is greater). For insured persons with 1,000 to 1,249 weeks of contributions, average earnings may be calculated based on the average of the insured's last 200 weeks of contributions; with at least 1,250 weeks of contributions, the average of the last 150 weeks of contributions.

The minimum pension is the legal monthly minimum wage for industry.

The legal monthly minimum wage for industry is 4,062.79 córdobas.

Reduced pension: With 250 to 349 weeks of contributions, 1,910 córdobas is paid; with 350 to 449 weeks, 2,356 córdobas; with 450 to 549 weeks, 2,884 córdobas; with 550 to 649 weeks, 3,290 córdobas; and with 650 to 749 weeks, 3,656 córdobas.

Deferred pension: The pension is increased by 1% for each 50-week period of contributions after age 60, up to 5%.

The maximum monthly old-age pension is 80% of average earnings with average earnings of more than twice the minimum wage; 100% with average earnings of less than twice the minimum wage.

Dependent's supplement: 15% of the old-age pension is paid for a wife or disabled husband; 10% for each child younger than age 15 (age 21 if student, no limit if disabled); and 10% for dependent parents older than age 60 or disabled.

The maximum old-age pension and dependent's supplement is 100% of the insured's earnings or US\$ 1,500 a month (whichever is lower).

Schedule of payments: Benefits are paid monthly, with an additional payment made each Christmas.

Benefit adjustment: Pensions are adjusted on November 30 each year according to changes in the official exchange rate between the Nicaraguan córdoba and the US dollar.

Pensions that were initially calculated on monthly earnings of two times the minimum wage or less are also adjusted in July each year according to the increase in the average salary of all insured persons in the previous 12 months.

Permanent Disability Benefits

Disability pension: For a total disability, with average earnings of more than twice the minimum wage, 37% of average earnings plus 1.15% for each additional 52-week period of contributions exceeding 150 weeks is paid. With earnings of up to twice the minimum wage, 45% of average earnings plus 1.591% for each additional 52-week period of contributions exceeding 150 weeks is paid.

Average earnings are the average of the insured's last 250 weeks of contributions or the 250 weeks before the last 250 weeks of earnings (whichever is greater). For insured persons with 1,000 to 1,249 weeks of contributions, average earnings may be calculated based on the average of the insured's last 200 weeks of contributions; with at least 1,250 weeks of contributions, the average of the last 150 weeks of contributions.

The minimum pension is the legal monthly minimum wage for industry.

The legal monthly minimum wage for industry is 4,062.79 córdobas.

If the insured has a spouse and children, the total disability pension must not be less than 50% of the insured's average earnings.

Partial disability pension: 50% of the total disability pension is paid.

The partial disability pension must be greater than 33% but less than 50% (according to the degree of disability) of the minimum wage in the insured's occupation.

Constant-attendance allowance: 20% of the insured's total disability pension is paid.

Dependent's supplement: 15% of the insured's old-age pension is paid for a wife or disabled husband; 10% for each child younger than age 15 (age 21 if a student, no limit if disabled); and 10% for dependent parents older than age 60 or disabled.

The maximum combined old-age pension and dependent's supplement is 100% of the insured's earnings or US\$ 1,500 a month (whichever is lower).

Schedule of payments: Benefits are paid monthly, with an additional payment made each Christmas.

Benefit adjustment: Pensions are adjusted on November 30 each year according to changes in the official exchange rate between the Nicaraguan córdoba and the US dollar.

Pensions that were initially calculated on monthly earnings of two times the minimum wage or less are also adjusted in July each year according to the increase in the average salary of all insured persons in the previous 12 months.

Survivor Benefits

Spouse's pension: 50% of the old-age or disability pension the deceased received or was entitled to receive is paid to a widow aged 45 or older or disabled, or to a widower aged 60 or older or dependent and disabled. A pension is paid to a widow younger than age 45 for two years or for as long as she is caring for a child receiving an orphan's pension.

Remarriage and cohabitation settlement: A lump sum of 12 months of the pension is paid.

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

The maximum survivor pension for a widow(er) with two or more children is 100% of the old-age or disability pension the deceased received or was entitled to receive.

Dependent relatives' pension: If there are no other eligible survivors, 50% of the old-age or disability pension the deceased received or was entitled to receive is paid.

Funeral grant: A lump sum of the cost of the funeral or 50% of the deceased's monthly wage is paid (whichever is lower).

Benefit adjustment: Pensions are adjusted on November 30 each year according to changes in the official exchange rate between the Nicaraguan córdoba and the US dollar.

Pensions that were initially calculated on monthly earnings of two times the minimum wage or less are also adjusted in July each year according to the increase in the average salary of all insured persons in the previous 12 months.

Administrative Organization

Nicaraguan Institute of Social Security (<http://www.inss.gob.ni>) administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1956 (social security), implemented in 1957.

Current law: 1982 (social security).

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

Coverage

Cash benefits: Employed persons; farmers and cooperatives who benefited from the Agrarian reform; members of professional associations and clergy; and members of cooperatives.

Voluntary coverage for self-employed persons, clergy (not covered by compulsory insurance), employers, and workers who were previously covered by compulsory insurance.

Exclusions: Seasonal agricultural workers, and military and police personnel.

Medical benefits: Insured persons and their dependents (children up to age 12; wife of the insured, maternity care) and old-age pensioners.

Source of Funds

Insured person: 2.25% of covered earnings.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 3,014.41 córdobas (agriculture), 4,062.79 (industry), and 6,761.91 córdobas (construction, finance, and insurance).

The maximum monthly earnings used to calculate contributions are 72,410 córdobas.

Self-employed person: 8.25% of covered earnings.

The minimum monthly earnings used to calculate contributions are 5,122 córdobas.

The maximum monthly earnings used to calculate contributions are 72,410 córdobas.

Employer: 6% of covered payroll.

Government: 0.25% of covered earnings (insured and self-employed persons); also contributes as employer.

The government's contribution also finance family allowances.

Qualifying Conditions

Cash sickness benefits: Must have at least eight weeks of contributions in the last 22 weeks. Unemployed insured persons with at least eight weeks of contributions in the last 22 weeks are covered for 14 weeks after employment ceases.

No benefits are paid if the insured is caring for a sick family member.

Cash maternity benefits: Must have at least 16 weeks of contributions in the 39 weeks before the expected date of childbirth. Unemployed insured women with at least eight weeks of contributions in the last 22 weeks are covered for 14 weeks after employment ceases.

Medical benefits: Must have at least eight weeks of contributions in the last 22 weeks; no contribution requirement for an old-age pensioner.

Sickness and Maternity Benefits

Sickness benefit: 60% of the insured's average earnings in the last eight weeks is paid after a three-day waiting period (waived if hospitalized) for up to 52 weeks.

Maternity benefit: 60% of the insured's average earnings in the last eight weeks is paid for four weeks before and eight weeks after the expected date of childbirth.

Nursing allowance: Breastfeeding support is provided for the first six months of the child's life; if the child is not breastfed, formula is provided. Equivalent benefits may be provided in cash in certain circumstances.

Workers' Medical Benefits

Medical services, including medicine and hospitalization, are provided directly to patients, depending on available resources. Insured pregnant women receive maternity care. Old-age pensioners (contributory) are entitled to medical services for certain illnesses and surgical treatments.

There is no limit to duration.

Dependents' Medical Benefits

Medical benefits for dependents, including pregnant women and children under age 12, are the same as those for the insured. Old-age pensioners (contributory and noncontributory) are entitled to medical care for certain illnesses and surgical treatments.

Administrative Organization

Nicaraguan Institute of Social Security (<http://www.inss.gob.ni>) administers the program.

Public and private institutions provide medical care and cash benefits.

Work Injury

Regulatory Framework

First law: 1945 (labor code).

Current law: 1982 (social security).

Type of program: Social insurance system.

Coverage

Employed persons; farmers and cooperatives who benefited from the Agrarian reform; members of professional associations and clergy; and members of cooperatives.

Exclusions: Self-employed persons, seasonal agricultural workers, and military and police personnel.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 1.5% of covered payroll plus 1.5% (war victims' pensions).

The maximum monthly earnings used to calculate contributions are 72,410 córdobas.

Government: None; contributes as an employer.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

60% of the insured's earnings in the last eight weeks of contributions is paid from the day after the disability began until medical care ceases or the insured is certified with a permanent disability. (The employer pays the benefit for the first day.)

Permanent Disability Benefits

Permanent disability pension: For a total disability (assessed with at least a 67% loss of earning capacity) with average earnings of more than twice the minimum wage, 37% of average earnings plus 1.15% for each additional 52-week period of contributions exceeding 150 weeks is paid. With earnings of up to twice the minimum wage, 45% of average earnings plus 1.591% for each additional 52-week period of contributions exceeding 150 weeks is paid.

Average earnings are the average of the insured's last 250 weeks of contributions or the 250 weeks before the last 250 weeks of earnings (whichever is greater). For insured persons with 1,000 to 1,249 weeks of contributions, average earnings may be calculated based on the average of the insured's last 200 weeks of contributions; with at least 1,250 weeks of contributions, the average of the last 150 weeks of contributions.

The minimum monthly pension (total disability) is 60% of the insured's earnings or the legal monthly minimum wage for industry (whichever is lower).

The legal monthly minimum wage for industry is 4,062.79 córdobas.

Constant-attendance allowance: 20% of the insured's total disability pension is paid.

Dependent's supplement (total disability): 15% of the insured's permanent disability pension is paid for a wife or disabled husband; 10% for each child younger than age 15 (age 21 if student, no limit if disabled); and 10% for dependent relatives older than age 60 or disabled.

Partial disability: For an assessed degree of disability of 20% to 66%, a percentage of the full pension is paid according to the assessed degree of disability.

The partial disability pension must be greater than 20% but less than 66% (according to the degree of disability) of the minimum wage in the insured's occupation.

The legal monthly minimum wage is 3,014.41 córdobas (agriculture), 4,062.79 (industry) and 6,761.91 córdobas (construction, finance, and insurance).

A lump sum of five times the annual salary is paid for an assessed degree of disability up to 19%.

Schedule of payments: Benefits are paid monthly, with an additional payment made each Christmas.

Benefit adjustment: Pensions are adjusted on November 30 each year according to changes in the official exchange rate between the Nicaraguan córdoba and the US dollar.

Pensions that were initially calculated on monthly earnings of two times the minimum wage or less are also adjusted in July each year according to the increase in the average salary of all insured persons in the previous 12 months.

Workers' Medical Benefits

Medical benefits are provided for work injuries and occupational diseases.

Survivor Benefits

Spouse's pension: At least 50% of the deceased's earnings used to calculate the permanent disability pension is paid to a widow or a dependent, disabled widower.

Orphan's pension: 25% of the permanent disability pension the deceased received or was entitled to receive is paid to each orphan younger than age 15 (age 21 if a student, no limit if disabled); 50% for a full orphan.

Other dependent survivors: If there are no other eligible survivors, 25% of the permanent disability pension the deceased received or was entitled to receive is paid to each dependent survivor.

All survivor benefits combined must not exceed 100% of the permanent disability pension the deceased received or was entitled to receive.

Funeral grant: A lump sum of 50% of the deceased's average monthly salary is paid.

Administrative Organization

Nicaraguan Institute of Social Security (<http://www.inss.gob.ni>) administers the program.

Family Allowances

Regulatory Framework

First law: 1956 (social security), implemented in 1957.

Current law: 1982 (social security).

Type of program: Social insurance system.

Coverage

Employed persons; farmers and cooperatives who benefited from the Agrarian reform; members of professional associations and clergy; and members of cooperatives.

Exclusions: Self-employed persons, seasonal agricultural workers and military and police personnel.

Source of Funds

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

Self-employed person: Not applicable.

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

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

Qualifying Conditions

Marriage grant: Must have at least three years of contributions.

Family Allowance Benefits

Marriage grant: A lump sum of one month of the insured monthly earnings is paid.

The benefit is only paid for one marriage.

Administrative Organization

Nicaraguan Institute of Social Security (<http://www.inss.gob.ni>) administers the program.