

## San Marino

Exchange rate: US\$1.00 = 0.73 euros (€).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1955 (social security system); 2011 (complementary pensions), implemented 2012; and 2013 (early retirement).

**Type of program:** Social insurance and mandatory individual account system.

Note: A system of mandatory individual accounts was introduced in 2012 as a supplement to the social insurance system.

#### Coverage

**Social insurance:** Employed and self-employed persons.

**Mandatory individual account:** Employed and self-employed persons covered by social insurance younger than age 50 in 2012.

Voluntary coverage for employed and self-employed persons aged 50 or older in 2012.

#### Source of Funds

##### Insured person

**Social insurance:** 4.8% of gross earnings.

The insured's contributions also finance work injury benefits.

**Mandatory individual account:** 1% of gross earnings (rising to 1.5% in 2016 and to 2% in 2018).

##### Self-employed person

**Social insurance:** Contributions vary from €15,000 to €28,000 a year, according to the category of self-employment.

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

**Mandatory individual account:** 2% of income (rising to 3% in 2016 and to 4% in 2018).

##### Employer

**Social insurance:** 16.10% of payroll.

The employer's contributions also finance work injury benefits.

**Mandatory individual account:** 1% of payroll (rising to 1.5% in 2016 and to 2% in 2018).

#### Government

**Social insurance:** 5% of total contributions (higher contributions are made for agricultural workers) or up to 25% to cover any deficit.

Government contributions also finance work injury benefits.

**Mandatory individual account:** Subsidies as needed.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 65 (gradually rising to age 66 from 2019 to 2021) with at least 20 years of contributions (4,320 days of contributions); age 60 with at least 40 years of contributions. For insured persons who entered the labor force before January 1, 2006, transitional provisions apply.

**Early retirement:** Age 57 to the full retirement age provided the sum of the age plus the number of years of contributions equals 100 (for example, age 57 with 43 years of contributions) or age 57 with at least 35 years of contributions if the insured has exhausted all employment benefits, the place of employment has closed, or in the event of mass unemployment.

**Partial pension:** Age 60 with 35 to 39 years of contributions.

**Deferred pension:** The pension may be deferred.

##### Old-age pension (mandatory individual account):

Age 65 (gradually rising to age 66 from 2019 to 2021) with at least five years of contributions.

**Early retirement:** Age 60 to the full retirement age provided the sum of the age plus the number of years of contributions equals 100 (for example, age 60 with 40 years of contributions).

**Disability pension (social insurance):** Paid for a loss of working capacity of at least 65% with at least seven years of contributions, including at least two years in the last three years before the disability began.

A medical board of the National Social Security Institute assesses the degree of loss of working capacity.

##### Disability pension (mandatory individual account):

Must be assessed with at least a 50% permanent loss of working capacity.

A medical board of the National Social Security Institute assesses the degree of loss of working capacity.

**Survivor's pension (social insurance):** The deceased had at least seven years of contributions, including at least one year of coverage in the five years before death; or a total of 15 years of contributions.

Eligible survivors include a widow, unemployed widower with a disability, and children younger than age 18 (age 26 if a student or disabled). The widow(er) must have been married to and living with the deceased at the time of death.

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

**Survivor's pension (mandatory individual account):**

Paid on the death of the insured. The widow(er) must have been married to and living with the deceased at the time of death.

Eligible survivors include a widow, unemployed widower with a disability, and children younger than age 18 (age 26 if a student or disabled).

### Old-Age Benefits

**Old-age pension (social insurance):** The pension is 2% of half of the legally fixed amount for each year of coverage plus 0.75% of the portion of reference earnings that exceeds the legally fixed amount (1.5% for coverage periods completed before January 1, 2012).

The legally fixed amount is €44,916.73.

Reference earnings used to calculate benefits are the insured's average daily earnings in the last 20 years (10 years for coverage periods completed before January 1, 2012) before retirement, multiplied by 16.615.

The maximum pension is 100% of the insured's last monthly earnings before retirement.

A means-tested minimum pension is paid.

Transitional provisions apply to persons with at least 216 days of contributions before January 1, 2006.

Partial pension: The pension is reduced by 15% with 35 years of contributions; 10% with 36 years; 6% with 37 years; 4% with 38 years; and 2% with 39 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.

**Old-age pension (mandatory individual account):** The amount of the annuity is based on the individual account balance; may withdraw up to 30% of the account balance prior to reaching retirement age for health care costs, expenses related to the purchase and renovation of the first home for themselves or for their children; or college expenses for the insured and family members.

### Permanent Disability Benefits

**Disability pension (social insurance):** The pension is 2% of half of the legally fixed amount for each year of coverage plus 0.75% of the portion of reference earnings that exceeds the legally fixed amount (1.5% for coverage periods completed before January 1, 2012).

The legally fixed amount is €44,916.73.

Reference earnings used to calculate benefits are the insured's average daily earnings in the last 20 years (10 years for coverage periods completed before January 1, 2012) before retirement, multiplied by 16.615.

The maximum benefit is 100% of the insured's last monthly earnings before retirement.

A means-tested minimum pension is paid.

Transitional provisions apply to persons with at least 216 days of contributions before January 1, 2006.

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

**Disability pension (mandatory individual account):** The amount of the annuity is based on the individual account balance.

### Survivor Benefits

**Survivor's pension (social insurance):** 65% to 100% of the old-age or disability pension the deceased received or was entitled to receive is paid to the surviving spouse and children, depending on the number of survivors.

**Survivor's pension (mandatory individual account):** A benefit is paid.

### Administrative Organization

National Social Security Institute (<http://www.iss.sm>) administers the social insurance program.

Complementary Social Security Fund of the National Social Security Institute administers the mandatory individual account program.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1955 (medical benefits).

**Current laws:** 1974 (temporary incapacity), 1977 (cash benefits), 1980, 1988, 1990 (social security), 1993, 2003, and 2008.

**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 residents of San Marino.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** Up to 4% of gross earnings, according to the self-employment category.

**Employer:** 5% of payroll.

**Government:** None (cash benefits); 50% of direct taxes (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:** 86% of the insured's monthly earnings is paid for the first 15 days, 100% until the end of the sixth 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:** 100% of the insured's earnings is paid for five months (two months before and three months after the expected date of childbirth); thereafter, mothers can remain on leave and receive a benefit of 30% of earnings for one year and 20% for an additional six months, or they can return to work and take up to two hours of leave a day with full pay until the child is age 1.

### **Workers' Medical Benefits**

Doctors of the National Social Security Institute and state hospitals provide medical services. Benefits include all medical services, hospitalization, maternity care, and medications.

There is no cost sharing.

There is no limit to duration.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured. Dental services are free for children up to age 14.

### **Administrative Organization**

National Social Security Institute (<http://www.iss.sm>) administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First and current laws:** 1983 (pensions) and 2008 (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**

100% of the insured's earnings is paid.

### **Permanent Disability Benefits**

**Permanent disability benefit:** If assessed with a total disability, the pension is based on the insured's annual earnings in the last year before the disability began.

**Partial disability:** A percentage of the disability pension is paid according to the assessed degree of disability (at least 15%).

**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's pension:** 65% to 100% of the old-age or disability pension the deceased received or was entitled to receive is paid to the surviving spouse and children, depending on the number of survivors.

The survivor's pension ceases on remarriage.

### **Administrative Organization**

National Social Security Institute (<http://www.iss.sm>) administers the program.

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

### **Unemployment**

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#### **Regulatory Framework**

**First law:** 1967 (unemployment).

**Current law:** 2010 (unemployment).

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

#### **Coverage**

**Unemployment benefit:** All employees.

Exclusions: Self-employed persons.

**Temporary unemployment benefit:** Employees in most sectors of work.

### Source of Funds

#### Insured person

*Unemployment benefits:* 0.5% of gross earnings.

*Temporary unemployment benefits:* None.

#### Self-employed person

Not applicable.

#### Employer

*Unemployment benefits:* 1.9% of payroll.

*Temporary unemployment benefits:* 7% of payroll.

#### Government

*Unemployment benefits:* None.

*Temporary unemployment benefits:* None.

### Qualifying Conditions

**Unemployment benefit:** Must have worked at least 121 days in the last two years.

**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 varies according to the insured's number of days of contributions. With 121 to 242 days, 30% of the insured's average earnings in the four months before unemployment is paid for up to 90 days; with at least 243 days and aged 50 or younger, 60% is paid for the first six months and 50% from the seventh to the eighth month; with at least 243 days of contributions and older than age 50, 40% of the insured's average earnings in the four months before unemployment is paid from the ninth to the 12th month of unemployment.

**Special economic benefit:** With at least 216 days of work with the same employer, 70% of the insured's earnings is paid for up to six months; thereafter, 65% of earnings for up to six months. With 162 to 215 days of work with the same employer, 60% of the insured's earnings is paid for up to six months; thereafter, 50% of earnings for up to six months.

**Temporary unemployment benefit:** 72% to 82% of the insured's earnings is paid for up to nine months, depending on the reason for unemployment.

### Administrative Organization

National Social Security Institute (<http://www.iss.sm>) administers the program.

### Family Allowances

#### Regulatory Framework

**First law:** 1976.

**Current law:** 1999 (integrative family allowance) and 2009 (family allowance).

**Type of program:** Employment-related program.

#### Coverage

Employed persons, pensioners, and certain self-employed persons.

#### Source of Funds

See Source of Funds under Unemployment.

#### Qualifying Conditions

**Family allowance:** All residents of San Marino.

**Family allowance supplement (means tested):** Residents of San Marino with annual household per capita income of €8,500 or less.

#### Family Allowance Benefits

**Family allowances:** €69.50 is paid for the first dependent; €90.50 for the second; €112.50 for the third; €133.50 for the fourth; €160.50 for the fifth.

**Family allowances supplement (means tested):** €69.50 is paid for the first dependent; €90.50 for the second; €112.50 for the third; €133.50 for the fourth; €160.50 for the fifth. For each child older than age 16 in secondary education, the family allowance supplement is increased from 5% to 10%.

### Administrative Organization

National Social Security Institute (<http://www.iss.sm>) administers the program.