

## Aruba

Exchange rate: US\$1.00 = 1.79 florin.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1960 (old-age pension) and 1965 (survivors pension).

**Current laws:** 1990 (old-age insurance), 1996 (widows and orphans insurance), and 2012 (mandatory occupational pensions).

**Type of program:** Social insurance and mandatory occupational pension system.

#### Coverage

**Social insurance:** Residents of Aruba.

**Mandatory occupational pension:** Private-sector employees who have completed an employment probation period.

Voluntary coverage for self-employed persons.

Special system for public-sector employees.

#### Source of Funds

##### Insured person

**Social insurance:** 5% of gross monthly covered earnings (old-age) plus 0.5% of gross monthly covered earnings (survivors); none for persons who have reached the normal retirement age (old-age and survivor pensions); low-income persons with annual incomes up to 13,400 florins pay a reduced rate.

The minimum annual earnings used to calculate contributions are 6,400 florin.

The maximum annual earnings used to calculate contributions are 85,000 florin.

**Mandatory occupational pension:** At least 3% of gross monthly earnings. Additional voluntary contributions are possible.

##### Self-employed person

**Social insurance:** 14.5% of gross monthly covered earnings (old-age) plus 1% of gross monthly covered earnings (survivors); low-income persons with annual incomes up to 13,400 florins pay a reduced rate.

The minimum annual earnings used to calculate contributions are 6,400 florin.

The maximum annual earnings used to calculate contributions are 85,000 florin.

**Mandatory occupational pension:** At least 6% of monthly declared earnings.

##### Employer

**Social insurance:** 10.5% of gross monthly covered payroll (old-age) plus 0.5% of gross monthly covered earnings (survivors); none for persons who have reached the normal retirement age (old-age and survivor pensions).

The minimum annual earnings used to calculate contributions are 6,400 florin.

The maximum annual earnings used to calculate contributions are 85,000 florin.

**Mandatory occupational pension:** At least 3% of gross monthly earnings. Additional voluntary contributions are possible.

##### Government

**Social insurance:** Finances any deficit; contributes as an employer.

**Mandatory occupational pension:** None.

#### Qualifying Conditions

**Old-age pension (Algemene Ouderdomsverzekering [AOV], social insurance):** Age 62 and six months (gradually rising to age 65 by 2024) and a resident of Aruba from age 15 to age 62 and six months (gradually rising to age 65 by 2024).

**Partial pension:** A reduced pension is paid if the insured does not meet the residency requirements for a full pension.

**Deferred pension:** The pension may be deferred for up to five years after the normal retirement age.

**Christmas bonus (Kerstbonus):** Paid to old-age pensioners.

The old-age pension is payable abroad.

**Old-age benefit (mandatory occupational pension):** Age 62 and six months (gradually rising to age 65 by 2025).

**Early benefit:** Age 60.

**Deferred benefit:** The benefit may be deferred until age 70.

Employment may continue.

**Survivor pension (Algemene Wezen- en Weduwen-verzekering [AWW], social insurance):** The deceased was insured or receiving an old-age pension at the time of death.

Eligible survivors include a widow(er) younger than the normal retirement age and orphans up to age 14 (age 25 if a full-time student, no limit if disabled). **Holiday allowance:** Paid to a person receiving a survivor pension.

**Funeral grant (Algemene Ouderdomsverzekering [AOV], social insurance):** Paid when an old-age pensioner dies.

Eligible survivors include a widow(er), an orphan, or the person who paid for the funeral.

**Funeral grant (Algemene Wezen- en Weduwen-verzekering [AWW], social insurance):** Paid to the person who paid for the funeral when a survivor pensioner dies. The grant must be claimed within 30 days of the death.

### Old-Age Benefits

**Old-age pension (Algemene Ouderdomsverzekering [AOV], social insurance):** The full pension is paid with 47 years and six months of residency in Aruba. 1,132 florin (if not living with anyone other than a child or parent) or 953 florin (if living with another adult other than a child or parent) a month is paid.

Partial pension: The pension is reduced by 2.14% for each year of residency less than 47 years and six months.

Deferred pension: The pension is increased by 7% for each year of deferral after the normal retirement age.

Christmas bonus (Kerstbonus): 75% of one month of the pension is paid once a year in December.

Benefit adjustment: Benefits are adjusted on an ad hoc basis depending on available resources.

**Old-age benefit (mandatory occupational pension):** The account balance can be paid as a lump sum or an annuity.

Early benefit: A reduced benefit is paid.

Deferred benefit: Calculated in the same way as the old-age benefit.

### Permanent Disability Benefits

No statutory benefits are provided.

### Survivor Benefits

**Survivor pension (Algemene Wezen- en Weduwen-verzekering [AWW], social insurance)**

*Spouse's pension:* The benefit amount varies depending on the survivor's age when widowed: 512 florin a month is paid if younger than age 40; 687 florin a month if aged 40 to 48; 868 florin a month if aged 49 to 60 and six months; or 1,132 florin a month if older than age 60 and six months, disabled, or raising a child.

The spouse's pension ceases upon remarriage.

The spouse's pension ceases at the normal retirement age and is replaced by an old-age pension.

*Orphan's pension:* 377 florin a month is paid to an orphan younger than age 10 (404 florin a month for a full orphan); 404 florin a month if aged 10 to 14 (443 florins a month for a full orphan); or 443 florin a month if aged 15 to 24 (512 florin a month for a full orphan).

Benefit adjustment: Benefits are adjusted on an ad hoc basis depending on available resources.

**Funeral grant (Algemene Ouderdomsverzekering [AOV], social insurance):** A lump sum of 3,396 florin is paid.

**Funeral grant (Algemene Wezen- en Weduwen-verzekering [AWW], social insurance):** A lump sum of three times the deceased's monthly survivor pension is paid.

### Administrative Organization

Ministry of Tourism, Public Health and Sports provides general supervision.

Social Insurance Bank (<https://www.svbaruba.org/>) administers the social insurance program.

Tax Department (<http://www.impuesto.aw/>) collects contributions for the social insurance program.

Registered pension funds, under government supervision, administer and collect contributions for the mandatory occupational pension program.

---

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1966 (sickness insurance).

**Current laws:** 1992 (general health insurance), implemented in 2001; and 1993 (sickness insurance).

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

#### Coverage

**Social insurance (cash benefits):** Private-sector employees with monthly earnings up to 5,850 florin.

Exclusions: Self-employed persons, directors and shareholders of corporations with monthly earnings above 5,850 florin, household workers, family labor, and seamen employed on Aruba ships.

Special system for public-sector employees.

**Social insurance (medical benefits):** Residents of Aruba.

#### Source of Funds

##### Insured person

*Social insurance (medical benefits):* 1.6% of gross monthly covered earnings; 6.5% to 10.5% of the pension for pensioners.

The maximum annual earnings used to calculate contributions for employed persons are 85,000 florin; 30,000 florin for pensioners.

*Social insurance (cash benefits):* None.

##### Self-employed person

*Social insurance (medical benefits):* 10.5% of gross monthly declared earnings.

*Social insurance (cash benefits):* Not applicable.

**Employer**

*Social insurance (medical benefits)*: 8.9% of gross monthly covered earnings.

The maximum annual earnings used to calculate contributions are 85,000 florin.

*Social insurance (cash benefits)*: 2.65% of gross monthly covered earnings.

The maximum annual earnings used to calculate contributions are 70,200 florin.

**Government**

*Social insurance (medical benefits)*: Provides subsidies as needed; additional financing from a 3% earmarked tax on general goods and services; contributes as an employer.

*Social insurance (cash benefits)*: None.

**Qualifying Conditions**

**Cash sickness benefit (Ziekengeld, Ziektefonds [ZV])**: Must provide a medical certificate.

**Cash maternity benefit (Zwangerschapsverlof, Ziektefonds [ZV])**: Must give at least three months written notice of intention to take leave on a specific date and to return to work thereafter. A medical certificate may also be required.

**Medical benefits (Algemene Ziektekosten Verzekering [AZV])**: There is no minimum qualifying period.

**Sickness and Maternity Benefits**

**Sickness benefit (Ziekengeld, Ziektefonds [ZV])**: 80% of the insured's daily earnings is paid after a three-day waiting period for up to two years.

**Maternity benefit (Zwangerschapsverlof, Ziektefonds [ZV])**: 100% of the insured's daily earnings is paid for 12 weeks, including at least four weeks before childbirth.

**Workers' Medical Benefits**

**Medical benefits (Algemene Ziektekosten Verzekering [AZV])**: Benefits include inpatient and outpatient services, emergency care, maternity care, dental care, medicines, and rehabilitation services.

**Dependents' Medical Benefits**

**Medical benefits (Algemene Ziektekosten Verzekering [AZV])**: Benefits for dependents are the same as those for the insured.

**Administrative Organization**

Ministry of Tourism, Public Health and Sports provides general supervision.

Social Insurance Bank (<https://www.svbaruba.org/>) collects and administers the cash benefits.

General Health Insurance (<http://www.azv.aw/>) administers the medical benefits.

Tax Department (<http://www.impuesto.aw/>) collects contributions for the social insurance programs.

Medical services are provided through hospitals, private clinics, and other medical facilities under contract by the General Health Insurance.

**Work Injury****Regulatory Framework**

**First and current laws**: 1996 (accident insurance) and 1996 (occupational diseases).

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

**Coverage**

Private-sector employees.

Exclusions: Self-employed persons, household workers, family labor, and seamen employed on Aruban ships.

Special system for public-sector employees.

**Source of Funds**

**Insured person**: None.

**Self-employed person**: Not applicable.

**Employer**: 0.25% to 2.5% of gross monthly covered payroll, depending on the assessed degree of risk.

The maximum annual earnings used to calculate contributions are 70,200 florin.

**Government**: None.

**Qualifying Conditions**

Must be assessed with a work injury or occupational disease. Accidents that occur while commuting to and from work may be covered under certain conditions. Occupational diseases are specified by law. The claim must be made within the 12 months after the disability began.

**Temporary Disability Benefits**

**Temporary disability benefit (Ongevallenfonds [OV])**: 100% of the insured's average daily earnings in the 12 months before the disability began is paid for the first 12 months of incapacity; 80% thereafter. The benefit is paid from the day after the incapacity began until recovery or certification of permanent disability.

**Permanent Disability Benefits**

**Permanent disability pension (Ongevallenfonds [OV])**: For a total (100%) disability, the monthly pension is 80% of the insured's average daily earnings in the 12 months before the disability began.

## Aruba

---

Partial disability: For an assessed degree of disability of at least 30% but less than 100%, a percentage of the full permanent disability pension is paid based on the assessed degree of disability; for an assessed degree of disability of less than 30%, a lump sum of six times the annual permanent disability pension is paid.

A medical board of the Social Insurance Bank assesses the degree of disability.

### Workers' Medical Benefits

Medical and rehabilitation services are provided.

### Survivor Benefits

#### Survivor pension

*Spouse's pension:* 30% of the deceased's average daily earnings in the 12 months before death is paid to a widow(er) or to a divorced spouse who was dependent on the deceased.

The spouse's pension ceases upon remarriage and a lump sum of two year of the pension is paid.

*Orphan's pension:* 15% of the deceased's average daily earnings in the 12 months before death is paid to each orphan up to age 14 (age 25 if a full-time student, no limit if disabled); 20% for a full orphan.

*Dependent parent's pension:* If there is no eligible widow(er) or orphan, up to 30% of the deceased's average daily earnings in the 12 months before death is paid to dependent parents.

The maximum combined daily survivor pension is 60% of the deceased's average daily earnings.

If the survivor receives benefits under the old-age, disability, and survivors program, the total work injury survivor benefit may be reduced based on the survivor's average monthly income.

**Funeral grant (social insurance):** A lump sum of 1,000 florin is paid to an eligible survivor or the person who paid for the funeral.

**Benefit adjustment:** The funeral grant is adjusted periodically based on changes in the consumer price index.

### Administrative Organization

Ministry of Tourism, Public Health and Sports provides general supervision.

Social Insurance Bank (<https://www.svbaruba.org/>) collects contributions and administers the program.

### Unemployment

---

#### Regulatory Framework

**First laws:** 1973 (civil code) and 1983 (cesantia ordinance).

**Current law:** 1998 (Cesantia Ordinance).

**Type of program:** Employer-liability system.

#### Coverage

Private-sector employees.

Exclusions: Public-sector employees and certain teachers.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost; pays an annual flat-rate contribution of 40 florin to the Social Insurance Bank to finance the severance pay if the employer becomes bankrupt.

**Government:** None.

#### Qualifying Conditions

Must have at least one year of covered employment and be involuntarily unemployed. The claim must be made within one year of ceasing employment.

**Income test:** An income test is applied to pensioners.

#### Unemployment Benefits

One time the employee's last weekly salary is paid for each year of service from one to 10 years, plus 1.25 times the weekly salary for each year of service from 11 to 20 years, plus two times the weekly salary for each year of service exceeding 20 years.

The maximum weekly earnings used to calculate benefits are 2,025 florins (2018).

A reduced benefit is paid by the Social Insurance Bank if the employer becomes bankrupt or upon a court ruling.

#### Administrative Organization

Ministry of Tourism, Public Health and Sports provides general supervision.

Employers pay benefits directly to employees.

Social Insurance Bank (<https://www.svbaruba.org/>) collects contributions.

### Family Allowances

---

#### Regulatory Framework

**First and current laws:** 1988 (social assistance) and 1989 (social welfare ordinance).

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

#### Coverage

Needy citizens of the Netherlands who were born in Aruba and certain foreign nationals residing in Aruba.

## Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

## Qualifying Conditions

**Cash assistance (means tested):** Paid to persons aged 17 or older who are registered as unemployed with the Department of Employment Promotion, persons with disabilities aged 17 to the normal retirement age who are unable to work, and certain other vulnerable persons. Must have been born in Aruba or be a citizen of the Netherlands and have continuously resided in Aruba for at least three years before the claim is made (the residency requirement may be waived if the beneficiary is younger than age 18).

**Dependent's allowance:** Paid for a dependent spouse and dependent children up to age 18.

**Christmas bonus:** Paid to a main beneficiary of cash assistance and his or her eligible dependents.

**Education allowance:** Paid to families with children aged 3 to 24 to assist with education costs.

**School supplies allowance:** Paid to cover the cost of school supplies.

**Dietary grant:** Paid to families receiving cash assistance to help with the cost of certain foodstuffs.

**Means test:** Family income and assets must not exceed certain limits.

**Funeral grant:** Paid to help with the cost of the funeral when a needy resident of Aruba dies. The benefit must be claimed within two months of the death.

## Family Allowance Benefits

**Cash assistance (means tested):** 450 florin (if unemployed or assessed as vulnerable) or 947 florin (if disabled) a month is paid.

**Dependent's allowance:** 200 florin a month is paid for each eligible dependent.

**Christmas bonus:** 450 florin (if unemployed or assessed as vulnerable) or 120 florin (if disabled) plus 200 florin for each eligible dependent is paid once a year in December.

**Education allowance:** 250 florin a month is paid for each eligible child.

**School supplies allowance:** 220 florin a year is paid for each eligible child.

The maximum annual school supplies allowance for a family is 800 florin.

**Dietary grant:** Up to 120 florin a month is paid to the head of a household.

**Funeral grant:** Up to 4,000 florin is paid. The benefit is normally paid directly to the funeral service provider.

## Administrative Organization

Department of Social Affairs (<https://www.asuntosocial.aw/>) administers the program.