

Chile

Exchange rate: US\$1.00 = 678.80 pesos.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1924 (social insurance).

Current laws: 1952 (social insurance), 1952 (wage earners), 1975 (social assistance), 1980 (individual accounts), 1980 (social insurance), and 2008 (social security reform).

Type of program: Social insurance, mandatory individual account, social assistance, and universal (child benefit) system.

Note: A 2019 law introduced mandatory social security contributions for certain self-employed persons with annual incomes of at least five times the legal monthly minimum wage. Until 2028, covered self-employed persons can choose to make partial contributions for access to a reduced benefit package. Provisions included below summarize the comprehensive benefit package for self-employed persons.

Coverage

Social insurance: Wage earners, salaried employees, and self-employed persons with earnings less than three times the legal monthly minimum wage who paid social insurance contributions before January 1, 1983 and opted to remain in the social insurance program.

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65 (March 2019); 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

Special systems for certain salaried employees, including railroad employees, seamen and port workers, public-sector employees, and military and police personnel.

Mandatory individual account: Employees who entered the labor force after December 31, 1982, and self-employed persons issuing professional service invoices with annual covered incomes of at least the legal monthly minimum wage.

Voluntary coverage for workers covered by the social insurance program before January 1, 1983 and self-employed persons with annual covered incomes less than the legal monthly minimum wage.

The self-employed person's annual covered income is 80% of his or her gross income in the previous year.

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65 (March 2019); 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

Social assistance and universal child benefit: Residents of Chile.

Source of Funds

Insured person

Social insurance: 18.84% of covered earnings for wage earners; 20% to 30% of covered earnings for salaried employees, depending on the occupation.

The maximum monthly earnings used to calculate contributions are 60 UFs (Unidad de Fomento). The ceiling is adjusted annually based on changes in real wages in the previous year.

The UF, an index that is adjusted daily based on monthly changes in the consumer price index, is 27,908.86 pesos (July 1, 2019).

Mandatory individual account: 10% of monthly covered earnings (old age) plus an average of 1.25% (administrative fees). Persons working under arduous conditions contribute an additional 1% or 2% of monthly covered earnings, depending on the occupation.

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

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65 (March 2019); 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

The maximum monthly earnings used to calculate contributions are 79.2 UFs (Unidad de Fomento). The ceiling is adjusted annually based on changes in real wages in the previous year.

The UF, an index that is adjusted daily based on monthly changes in the consumer price index, is 27,908.86 pesos (July 1, 2019).

Social assistance and the universal child benefit: None.

Self-employed person

Social insurance: 18.84% of covered income.

The minimum monthly income used to calculate contributions is the legal monthly minimum wage.

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65 (March 2019); 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

The maximum monthly income used to calculate contributions is 60 UFs (Unidad de Fomento).

The UF, an index that is adjusted daily based on monthly changes in the consumer price index, is 27,908.86 pesos (July 1, 2019).

Mandatory individual account: 3.04% (increasing to 10% by 2028) of covered income (old age and administrative fees) plus 1.53% (disability and survivor).

The self-employed person's annual covered income is 80% of his or her gross income in the previous year.

The minimum annual covered income used to calculate contributions is the legal monthly minimum wage.

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65 (March 2019); 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

The maximum annual income used to calculate contributions is 878.4 UFs (Unidad de Fomento).

The UF, an index that is adjusted daily based on monthly changes in the consumer price index, is 27,908.86 pesos (July 1, 2019).

Social assistance and the universal child benefit: None.

Employer

Social insurance: None.

Mandatory individual account: 1.53% of payroll (disability and survivor); employers of persons working under arduous conditions contribute an additional 1% or 2% of monthly covered payroll (old age), depending on the occupation.

The maximum monthly earnings used to calculate contributions are 79.2 UFs. The ceiling is adjusted annually based on changes in real wages in the previous year.

The UF, an index that is adjusted daily based on monthly changes in the consumer price index, is 27,908.86 pesos (July 1, 2019).

Social assistance and the universal child benefit: None.

Government

Social insurance: The total cost of accrued rights.

Mandatory individual account: The total cost of the guaranteed minimum old-age and disability pensions, old-age solidarity top-up benefit (APSV), and disability solidarity top-up benefit (APSI); subsidizes contributions for young workers (50% of monthly contributions for earnings less than the minimum monthly earnings) for the first 24 months of contributions; and contributes as an employer.

Social assistance and the universal child benefit: The total cost.

Qualifying Conditions

Old-age pension (Pensión de Vejez, social insurance): For wage earners, age 65 with at least 1,040 weeks of contributions or 800 weeks of contributions, including at least 50% of the weeks since coverage began (men), or age 60 with at least 520 weeks of contributions (women); for salaried employees, age 65 (men) or age 60 (women) with at least 10 years of contributions.

The normal retirement age for insured persons with at least 1,020 weeks of contributions is reduced by one year (two years for workers in mining or smelting) for every five years of work under arduous conditions, up to five years (10 years for workers in mining or smelting).

Employment may continue for wage earners; salaried employees must cease all gainful activity.

Child supplement: Paid for the dependent children of a salaried woman who has at least 20 years of contributions; no contribution requirement for widows.

The social insurance old-age pension is payable abroad.

Old-age pension (Pensión de Vejez, mandatory individual account): Age 65 (men) or age 60 (women).

The normal retirement age for insured persons with at least 20 years of contributions is reduced by one or two years for every five years of work under arduous conditions, depending on the occupation, up to 10 years.

Early pension (Pensión anticipada): At any age if the individual account balance is sufficient to finance a pension of at least 70% of the insured's average monthly covered earnings in the last 10 years and 80% of the monthly PMAS (Pensión Máxima con Aporte Solidario).

The PMAS is the lowest value of the old-age pension before qualifying for the old-age solidarity top-up benefit (APSV). The monthly PMAS is 325,646 pesos.

Recognition bond (Bono de reconocimiento): Age 65 (men) or age 60 (women) and moved from the social insurance program to the mandatory individual account program. Must have had 12 contributions under the social insurance program from November 1975 to October 1980 or at least one contribution from July 1, 1979, to the date of enrollment in the mandatory individual account program.

Guaranteed minimum old-age pension (Pensión de vejez mínima garantizada): Age 65 (men) or age 60 (women) with at least 20 years of contributions whose sum of pensions, earnings, and other income is less than the minimum monthly old-age pension.

The minimum monthly old-age pension is 138,585.79 pesos if younger than age 70; 151,532.91 pesos if aged 70 to 75; or 161,680.50 pesos if older than age 75.

The guaranteed minimum old-age pension is being phased out and replaced by the old-age solidarity top-up benefit (APSV) by 2023. Until then, there is a choice between the two benefits for persons who received the guaranteed minimum old-age pension before July 1, 2008, and those aged 50 or older and affiliated with a pension fund management company (AFP) on July 1, 2008.

The individual account old-age pension is payable abroad.

Old-age solidarity top-up benefit (Aporte Previsional Solidario de Vejez [APSV], social assistance, means tested): Age 65 and a resident of Chile for at least 20 years since age 20, including four of the last five years.

Means test: The beneficiary's monthly base pension (individual account or social insurance old-age pension plus any work-injury survivor pension received) must be less than the monthly PMAS, and the beneficiary's family must be among the poorest 60% of the population as assessed

through the Social Security Targeting Score (Puntaje de Focalización Previsional).

The PMAS is the lowest value of the old-age pension before qualifying for the old-age solidarity top-up benefit. The monthly PMAS is 325,646 pesos.

The Social Security Targeting Score compiles information on household composition, needs, and income, which is provided by the Ministry of Social Development, the Internal Revenue Service, and the Superintendence of Pensions.

Old-age solidarity pension (Pensión Básica Solidaria de Vejez [PBSV], social assistance, means tested):

Age 65; a resident of Chile for at least 20 years since age 20, including at least four of the last five years; and does not meet the contribution requirements for any other pension.

Means test: The beneficiary's family must be among the poorest 60% of the population as assessed through the Social Security Targeting Score (Puntaje de Focalización Previsional).

The Social Security Targeting Score compiles information on household composition, needs, and income, which is provided by the Ministry of Social Development, the Internal Revenue Service, and the Superintendence of Pensions.

Child benefit (Bono por Hijo, universal): Paid to a woman aged 65 or older who has been a resident of Chile for at least 20 years since age 20, including at least four of the last five years; who gave birth to or adopted at least one child in her lifetime; and receives an old-age solidarity pension, an old-age solidarity top-up benefit, or a survivor pension; or who retired on or after July 1, 2009, and is affiliated with a pension fund management company (AFP).

Winter grant (Bono de Invierno, social assistance, income tested): Must be aged 65 or older and receive a monthly old-age pension less than the minimum monthly old-age pension for pensioners older than age 75.

The minimum monthly old-age pension for pensioners older than age 75 is 161,680.50 pesos.

Golden wedding anniversary grant (Bono Bodas de Oro, social assistance, income tested): Paid to a couple married for at least 50 years who has resided in Chile for at least four of the five years before the claim is made. The claim must be made within one year of the couple's 50th anniversary.

Income test: The couple's household income must be in one of the lowest four income quintiles.

Disability pension (Pensión de Invalidez, social insurance): For wage earners, must have been younger than age 65 (men) or age 60 (women) when the disability began; be assessed with a total (at least a 70% loss of earning capacity) or partial (30% to 69% loss of earning capacity); and have at least 50 weeks of contributions, including at least 40% of the weeks in the last five years and at least 50% of the weeks since coverage began (women and men with at least 400 weeks of coverage are exempt from this

last requirement). For salaried employees, must be younger than age 65 (men) or age 60 (women), be assessed with at least a 66.7% degree of disability, and have at least three years of contributions.

Preventive and disability medical commissions assess the degree of disability for wage earners and salaried employees.

Child supplement: Paid for the dependent children of a salaried woman.

The social insurance disability pension is payable abroad.

Disability pension (Pensión de Invalidez, mandatory individual account): Must be younger than the normal retirement age and assessed with at least a 66% loss of earning capacity not caused by a work-related accident. Coverage is extended for up to 12 months after employment ceases if the insured has six months of contributions in the last year of employment (voluntarily insured and self-employed persons must also have contributed in the month immediately before the disability began).

Partial disability: Must be younger than the normal retirement age and assessed with a 50% to 65% loss of earning capacity not caused by a work-related accident. Coverage is extended for up to 12 months after employment ceases if the insured has six months of contributions in the last year of employment (voluntarily insured and self-employed persons must also have contributed in the month immediately before the disability began).

Regional medical commissions assess the degree of disability.

Guaranteed minimum disability pension (Pensión de invalidez mínima garantizada): Paid to persons who received the guaranteed minimum pension or a disability pension on July 1, 2008, or who were aged 50 or older and affiliated with a pension fund management company (AFP) on July 1, 2008. The insured's disability pension must be less than the minimum monthly disability pension.

The minimum monthly disability pension is 138,585.79 pesos if younger than age 70; 151,532.91 pesos if aged 70 to 75; or 161,680.50 pesos if older than age 75.

The guaranteed minimum disability pension is being phased out and replaced by the disability solidarity top-up benefit (APSI) by 2023. Until then, there is a choice between the two benefits for persons who received the guaranteed minimum disability pension before July 1, 2008, and those aged 50 or older and affiliated with an AFP on July 1, 2008.

The individual account disability pension is payable abroad.

Disability solidarity top-up benefit (Aporte Previsional Solidario Invalidez [APSI], social assistance, means tested): Must be aged 18 to 64, a resident of Chile for at least five of the last six years, and assessed with a disability.

Means test: The beneficiary's base pension (individual account or social insurance disability pension plus any

survivor benefits) of less than the disability solidarity pension, and the beneficiary's family must be among the poorest 60% of the population as assessed through the Social Security Targeting Score (Puntaje de Focalización Previsional).

The monthly disability solidarity pension is 110,201 pesos.

The Social Security Targeting Score compiles information on household composition, needs, and income, which is provided by the Ministry of Social Development, the Internal Revenue Service, and the Superintendence of Pensions.

Disability solidarity pension (Pensión Básica Solidaria de Invalidez [PBSI], social assistance, means tested): Must be aged 18 to 64, a resident of Chile for at least five of the last six years, assessed with a disability, and does not meet the contribution requirements for any other pension.

Means test: The beneficiary's family must be among the poorest 60% of the population as assessed through the Social Security Targeting Score (Puntaje de Focalización Previsional).

The Social Security Targeting Score compiles information on household composition, needs, and income, which is provided by the Ministry of Social Development, the Internal Revenue Service, and the Superintendence of Pensions.

Survivor pension (Pensión de Sobrevivientes, social insurance): For a deceased wage earner, must have had at least 400 weeks of paid contributions, or at least 50 weeks of paid contributions, including at least 40% of the weeks in the last five years and at least 50% of the weeks since coverage began (women are exempt from this last requirement). For a deceased salaried employee, must have had at least three years of contributions.

Eligible survivors include a widow(er) who was married to the insured for at least six months (at least three years if the insured was a pensioner), a widow(er) who had children with the deceased, or a widow who was pregnant with the deceased's child at the time of death; the mother of the deceased's extramarital children; orphans younger than age 18 (age 24 if a student; no age limit if disabled); and the deceased's parents if there are no other eligible survivors.

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

Remarriage settlement: Paid to a widow younger than age 55 who remarries.

The social insurance survivor pension is payable abroad.

Survivor pension (Pensión de Sobrevivencia, mandatory individual account): The deceased received or was entitled to receive an individual account old-age or disability pension.

Eligible survivors include a widow(er) who was married to the insured for at least six months (at least three years if the insured was a pensioner), a widow(er) who had children with the deceased, or a widow who was pregnant with the deceased's child at the time of death; the mother of the deceased's extramarital children; orphans younger than

age 18 (age 24 if a student; no age limit if disabled); and the deceased's parents if there are no other eligible survivors.

The individual account survivor pension is payable abroad.

Funeral grant (Asignación por Muerte, social insurance and social assistance): Paid to the person who pays for the funeral of the insured worker or pensioner.

The social insurance and social assistance funeral grants are payable abroad.

Funeral grant (Cuota Mortuoria, mandatory individual account): Paid to the person who pays for the funeral of the insured worker or pensioner.

The individual account funeral grant is payable abroad.

Old-Age Benefits

Old-age pension (Pensión de Vejez, social insurance): For wage earners, the monthly pension is 50% of the insured's base wage plus 1% of the base wage for every 50 weeks of contributions exceeding 500 weeks; for salaried employees, the monthly pension is 1/35 of the insured's base salary multiplied by the number of years of contributions.

The base wage or salary is the insured's average monthly wage or salary in the last five years, with the first two years adjusted for wage or salary changes.

Child supplement: 1/35 of the insured's base salary is paid for each eligible child; 2/35 of the base salary if the insured is a widow.

The minimum monthly old-age pension is 138,585.79 pesos if younger than age 70; 151,532.91 pesos if aged 70 to 75; or 161,680.50 pesos if older than age 75.

Benefit adjustment: Benefits are adjusted automatically each year based on changes in the consumer price index; earlier if the change in the consumer price index is at least 15% before the 12-month cycle ends.

Old-age pension (Pensión de Vejez, mandatory individual account): The insured has four different payment options: an immediate life annuity, temporary income with a deferred life annuity, programmed withdrawals, or an immediate life annuity with programmed withdrawals.

Recognition bond (Bono de reconocimiento): 12 times the insured's monthly earnings before July 1979 plus 4% accrued annual interest is deposited into the individual account in the month after the insured reaches the normal retirement age.

Guaranteed minimum old-age pension (Pensión de vejez mínima garantizada): 138,585.79 pesos a month is paid if the insured is younger than age 70; 151,532.91 pesos a month if aged 70 to 75; or 161,680.50 pesos a month if older than age 75.

Benefit adjustment: Benefits are adjusted automatically based on changes in the consumer price index.

Old-age solidarity top-up benefit (Aporte Previsional Solidario de Vejez [APSV], social assistance, means tested): The monthly pension is the difference between the basic solidarity pension and the value of the base pension (old-age pension plus any survivor benefits received) multiplied by an adjustment factor.

The basic monthly solidarity pension is 110,201 pesos.

The adjustment factor is the basic monthly solidarity pension divided by the monthly PMAS (Pensión máxima con aporte solidario). (The adjustment factor is currently 33.8%.)

The PMAS is the lowest value of the old-age pension before qualifying for the old-age solidarity top-up benefit. (The monthly PMAS is currently 325,646 pesos.)

Benefit adjustment: Benefits are adjusted automatically each year based on changes in the consumer price index; earlier if the change in the consumer price index is at least 10% before the 12-month cycle ends.

Old-age solidarity pension (Pensión Básica Solidaria de Vejez [PBSV], social assistance, means tested): 110,201 pesos a month is paid.

Benefit adjustment: Benefits are adjusted automatically each year based on changes in the consumer price index; earlier if the change in the consumer price index is at least 10% before the 12-month cycle ends.

Child benefit (Bono por Hijo, universal): A bond is paid for each live birth or adopted child. For women younger than age 65 on July 1, 2009, 10% of 18 times the legal monthly minimum wage at the time of the child's birth or adoption is deposited into the individual account in the month after the mother reaches age 65. For children born or adopted before July 1, 2009, the bond accrues interest from July 1, 2009, until the insured reaches age 65. For children born or adopted after July 1, 2009, the bond accrues interest from the date of the childbirth or adoption until the insured reaches age 65. The bond's interest rate is the average annual rate for Fund C minus administrative fees for that period.

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65 (March 2019); 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

Winter grant (Bono de Invierno, social assistance, income tested): 62,791 pesos a year is paid in May.

Benefit adjustment: Benefits are adjusted automatically each year.

Golden wedding anniversary grant (Bono Bodas de Oro, social assistance, income tested): A lump sum of 321,474 pesos (160,737 pesos per spouse) is paid.

Benefit adjustment: Benefits are adjusted automatically each year.

Permanent Disability Benefits

Disability pension (Pensión de Invalidez, social insurance): For a total disability, the monthly pension is 50% of the insured's base wage plus 1% of the base wage for every 50 weeks of contributions exceeding 500 weeks for wage earners; for salaried employees, the monthly pension is 70% of the insured's base salary plus 2% of the base salary for each year of contributions exceeding 20 years. For a partial disability, 50% of the total disability pension is paid for wage earners and salaried employees.

The base wage or salary is the insured's average monthly wage or salary in the last five years, with the first two years adjusted for wage or salary changes.

The minimum monthly disability pension is 138,585.79 pesos if younger than age 70; 151,532.91 pesos if aged 70 to 75; or 161,680.50 pesos if older than age 75.

Child supplement: 1/35 of the insured's base salary (1/30 for civil servants) is paid for each eligible child; 2/35 of the base salary (2/30 for civil servants) if the insured is a widow.

Benefit adjustment: Benefits are adjusted automatically each year based on changes in the consumer price index; earlier if the change in the consumer price index within the year is at least 15% before the 12-month cycle ends.

Disability pension (Pensión de Invalidez, mandatory individual account): For a total disability, 70% of the insured's base salary is paid. The pension is financed through the individual account. (Disability insurance tops up the accumulated capital in the individual account if the balance is less than the required minimum to finance the permanent disability pension.)

Temporary partial disability: 50% of the insured's base salary is paid for up to three years. The insured's pension fund management company (AFP) pays the benefit through an insurance policy covering the insured. The funds from the individual account are only used to pay the benefit if the insured is not covered by disability and survivor insurance (has not made any contributions to the individual account for at least one year).

The base salary is the insured's average monthly salary in the last 10 years.

Long-term partial disability pension: Following a second level of assessment after three years and certification, the pension is financed through the individual account. (Disability insurance tops up the accumulated capital in the individual account if the balance is less than that required to finance a pension of 50% of the insured's base salary).

Guaranteed minimum disability pension (Pensión de invalidez mínima garantizada): 138,585.79 pesos is paid if younger than age 70; 151,532.91 pesos if aged 70 to 75; or 161,680.50 pesos if older than age 75.

Benefit adjustment: Benefits are adjusted automatically based on changes in the consumer price index.

Disability solidarity top-up benefit (Aporte Previsional Solidario Invalidez [APSI], social assistance, means tested): The difference between the insured's monthly base pension (old-age pension plus any survivor benefits received) and the monthly disability solidarity pension is paid.

The monthly disability solidarity pension is 110,201 pesos.

Benefit adjustment: Benefits are adjusted automatically each year based on changes in the consumer price index; earlier if the change in the consumer price index within the year is at least 10% before the 12-month cycle ends.

Disability solidarity pension (Pensión Básica Solidaria de Invalidez [PBSI], social assistance, means tested): 110,201 pesos a month is paid.

Benefit adjustment: Benefits are adjusted automatically each year based on changes in the consumer price index; earlier if the change in the consumer price index within the year is at least 10% before the 12-month cycle ends.

Survivor Benefits

Survivor pension (Pensión de Sobrevivientes, social insurance)

Spouse's pension (Pensión de cónyuge): 60% of the deceased's base wage or salary or of the social insurance old-age or disability pension the deceased received or was entitled to receive, whichever is greater, is paid to a widow aged 55 or older or to a widower with a disability if there are no eligible children; 50% with eligible children. The mother of the deceased's extramarital children receives 60% of the widow's pension.

The base wage or salary is the deceased's average monthly wage or salary in the last five years, with the first two years adjusted for wage or salary changes.

The minimum monthly spouse's pension with children is 75,226.83 pesos if younger than age 70; 96,899.69 pesos if aged 70 or older.

The minimum monthly spouse's pension without children is 89,933.16 pesos if younger than age 70; 112,214.13 pesos if aged 70 or older.

Remarriage settlement (Dote matrimonial): A widow younger than age 55 receives a lump sum of two years of the pension.

Orphan's pension (Pensión de orfandad): 20% of the base wage or salary or of the social insurance old-age or disability pension the deceased received or was entitled to receive, whichever is greater, is paid to each eligible orphan.

The minimum monthly orphan's pension 20,787.87 pesos.

Benefit adjustment: Benefits are adjusted automatically each year based on changes in the consumer price index; earlier if the change in the consumer price index within the year is at least 15% before the 12-month cycle ends.

Survivor pension (Pensión de Sobrevivencia, mandatory individual account)

Spouse's pension (Pensión de cónyuge): 60% of the individual account old-age or disability pension the deceased received or was entitled to receive is paid to a widow(er) if there are no eligible children; 50% to a widow(er) with eligible children; and 36% to the mother or father of the deceased's extramarital children (30% if the deceased and the spouse had eligible children together).

The minimum monthly spouse's pension with children is 69,292.91 pesos if younger than age 70; 75,766.45 pesos if aged 70 to 75; or 80,840.25 pesos if older than age 75.

The minimum monthly spouse's pension without children is 83,151.47 pesos if younger than age 70; 90,919.74 pesos if aged 70 to 75; or 97,008.31 pesos if older than age 75.

Orphan's pension (Pensión de hijo): 15% of the individual account old-age or disability pension the deceased received or was entitled to receive is paid to each eligible orphan younger than age 18 (age 24 if a student and single; no limit if disabled); 11% for each partially disabled orphan older than age 24.

The minimum monthly orphan's pension is 20,787.87 pesos.

Other survivor's pension: 50% of the individual account old-age or disability pension the deceased received or was entitled to receive is paid to each parent, if there are no other eligible survivors and the parents are entitled to family benefits.

If the deceased was actively contributing to an individual account, survivor pensions are calculated based on a reference pension of 70% of the deceased's average monthly earnings in the last 10 years.

The pension paid as the result of the death of an insured person or a temporary partial disability beneficiary is financed with the deceased's individual account balance; if the deceased was a pensioner, the type of benefit depends on the type of retirement pension that the deceased chose. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance is less than the required minimum to finance the survivor pension.)

There is no maximum survivor pension.

Benefit adjustment: Benefits are adjusted automatically each year based on changes in the consumer price index.

Funeral grant (Asignación por Muerte, social insurance and social assistance): A lump sum of up to three times the monthly non-remuneration minimum wage is paid.

The monthly non-remuneration minimum wage is 194,164 pesos (March 2019).

Funeral grant (Cuota Mortuaria, mandatory individual account): A lump sum of 15 UFs is paid (from the deceased's individual account or the private insurer if the insured purchased a life annuity) to the relative who paid for the funeral expenses.

The UF, an index that is adjusted daily based on monthly changes in the consumer price index, is 27,908.86 pesos (July 1, 2019).

Administrative Organization

Ministry of Labor and Social Security is responsible for policy development.

Superintendent of Pensions (<http://www.spensiones.cl/>), under the Ministry of Labor and Social Security, provides general supervision.

Individual pension fund management companies (AFPs) administer individual accounts and collect contributions.

Social Security Institute (<http://www.ips.gob.cl/>) administers the social insurance and social assistance programs.

Sickness and Maternity

Regulatory Framework

First law: 1924 (social insurance).

Current laws: 1978 (sickness benefits); 1979 (national health system); 1984 (sick leave); 1985 (public health system), implemented in 1986; 1990 (private health system); 2004 (health guarantees), implemented in 2005; 2011 (extended parental leave); 2014 (maternity); 2015 (health insurance contributions eliminated for pensioners); and 2017 (mandatory insurance for sick child leave).

Type of program: Social insurance (cash and medical benefits), mandatory private insurance (cash and medical benefits), and employer-liability (paternity benefit) system.

Note: A 2019 law introduced mandatory social security contributions for certain self-employed persons with annual incomes of at least five times the legal monthly minimum wage. Until 2028, covered self-employed persons can choose to make partial contributions for access to a reduced benefit package. Provisions included below summarize the comprehensive benefit package for self-employed persons.

Cash and medical benefits are provided through parallel public and private programs. By default, insured persons are enrolled in the public social insurance program, but they can choose to contract with registered private health institutions for their benefits.

Coverage

Social insurance and mandatory private insurance: Public- and private-sector employees; self-employed persons with annual incomes of at least five times the legal monthly minimum wage; contract workers; pensioners; persons receiving work injury, unemployment, or social assistance benefits; persons entitled to family allowances; and pregnant women. (Persons without earnings, social assistance beneficiaries pregnant women, and mothers up to six months after childbirth are covered by the social insurance program.)

Voluntary coverage for self-employed persons with annual incomes less than five times the legal monthly minimum wage.

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65; 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

Special systems for military and police personnel.

Employer liability: Private-sector employees, and public-sector employees not covered by a special system.

Exclusion: Self-employed persons.

Special systems for civil servants and most categories of employees of public institutions and public enterprises.

Source of Funds

Insured person

Social insurance: 7% of monthly covered income; none for pensioners and solidarity beneficiaries.

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

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65 (March 2019); 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

The maximum monthly earnings used to calculate contributions are 79.2 UFs (Unidad de Fomento). The ceiling is adjusted annually based on changes in real wages in the previous year.

The UF, an index that is adjusted daily based on monthly changes in the consumer price index, is 27,908 pesos.

Mandatory private insurance: At least 7% of gross earnings, depending on the health plan.

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

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65 (March 2019); 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

Employer liability: None.

Self-employed person

Social insurance: 7% of annual covered income.

The self-employed person's annual covered income is 80% of his or her gross income in the previous year.

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

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65; 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

See source of funds under Work Injury for the sick child benefit.

Mandatory private insurance: At least 7% of annual covered income, depending on the health plan.

The self-employed person's annual covered income is 80% of his or her gross income in the previous year.

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

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65; 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

Employer liability: Not applicable.

Employer

Social insurance: None; see source of funds under Work Injury for the sick child benefit.

Mandatory private insurance: None.

Employer liability: The total cost.

Government

Social insurance: The total cost of maternity benefits; any deficit in the national health system.

Mandatory private insurance: Partially finances the cost of sickness benefits.

Employer liability: None; contributes as an employer for public-sector employees not covered by a special system.

Qualifying Conditions

Cash sickness and maternity benefits (social insurance and mandatory private insurance): Employees must have at least six months of contributions, including at least three months of contributions in the last six months; contract workers, at least six months of contributions, including at least 30 days of contributions in the last six months; and self-employed persons, at least 12 months of coverage with at least six months of paid contributions in the last 12 months.

There is no minimum qualifying period for an incapacity that is the result of an accident.

Sick child benefit (Subsidio Maternal por Enfermedad Grave Niño menor de un Año, social insurance): Paid to a parent who is absent from work and caring for a gravely sick or terminally ill child aged 1 to 17 (up to age 14 in case of a serious accident).

Employees must have at least eight months of contributions in the last 24 months, including three continuous months of contributions immediately before taking leave; mandatorily covered self-employed must have paid their contributions based on the last tax declaration; and voluntarily insured self-employed persons must have at least 12 months of contributions in the last 24 months, including five continuous months of contributions immediately before taking leave, and be up-to-date with their contribution payments

for old-age, health insurance, and insurance for work injury and occupational diseases.

Cash paternity benefit (Permiso Paterno Pagado, employer liability): There is no minimum qualifying period.

Medical benefits (social insurance and mandatory private insurance): There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit (Subsidio por Incapacidad Laboral, social and mandatory private insurance): For public-sector employees, the benefit is 100% of the insured's monthly net earnings before the incapacity began; for private-sector employees, 100% of the insured's average monthly net earnings in the last three months; for self-employed persons, 100% of the insured's annual covered income divided by 12 (mandatorily covered) or 100% of the insured's average monthly declared earnings in the last six months (voluntarily insured).

The sickness benefit is paid retroactively from the first day if the sick-leave period is at least 11 days; from the fourth day if the sick-leave period is less than 11 days. Under a collective agreement, the employer is only required to pay benefits for the first three days.

The minimum daily sickness benefit is 1/30th of 50% of the monthly non-remuneration minimum wage.

The monthly non-remuneration minimum wage is 194,164 pesos.

Sick child benefit (Subsidio Maternal por Enfermedad Grave Niño menor de un Año, social insurance): For employees, the benefit is 100% of the insured's net earnings before the leave began; for self-employed persons, 100% of the insured's annual covered income divided by 12 (mandatorily covered) or 100% of the insured's average monthly declared earnings in the last five months before the leave began (voluntarily insured).

Maternity benefit (Subsidio Maternal, social insurance and mandatory private insurance): For public-sector employees, the benefit is 100% of the insured's net monthly earnings before the incapacity began; for private-sector employees, 100% of the insured's average monthly net earnings in the three months before the expected date of childbirth; for self-employed persons, 100% of the insured's annual covered income divided by 12 (mandatorily covered) or 100% of the insured's average monthly declared earnings in the last six months (voluntarily covered). The benefit is paid for six weeks before and 12 weeks after the expected date of childbirth; may be extended in cases of premature or multiple births.

If both spouses work, either may receive the maternity benefit.

The minimum daily maternity benefit is 1/30th of 50% of the monthly non-remuneration minimum wage.

The monthly non-remuneration minimum wage is 194,164 pesos.

The maternity benefit is also paid for 12 months for the adoption of a child younger than age 6 months.

Extended postnatal parental leave: 100% of the maternity benefit is paid for 12 weeks after the maternity benefit ends; 50% is paid for up to 18 weeks if the woman returns to work part time after the normal parental leave ends. Up to six weeks of the benefit may be transferred to the father from the seventh week if the mother returns to work at that time.

Paternity benefit (Permiso Paterno Pagado, employer liability): 100% of the insured's last monthly earnings is paid for five days in the 30-day period after the childbirth or the adoption of a child younger than age 6 months.

Workers' Medical Benefits

Medical benefits (social insurance): Public or private health institutions and professionals registered with the National Health Fund provide benefits. Benefits include general and specialist care, periodic medical examinations, hospitalization, medicine, dental care, and maternity care.

There is no limit to duration.

General Scheme of Health Guarantees establishes the minimum benefits to be provided by the public system.

Cost sharing: Copayments are required for certain treatments. Persons with monthly covered earnings above 439,460 pesos pay 20% (10% with three dependents); with monthly covered earnings from 301,000 pesos to 439,460 pesos, 10% (0% with three dependents). Beneficiaries of basic solidarity pensions or family subsidies, and persons with monthly earnings below 301,000 pesos are exempt (April 2019).

The maximum annual limit on copayments is 3.5 times the insured's annual covered earnings.

There is no cost sharing for general care and certain medicines.

Medical benefits (mandatory private insurance): The insured must sign a minimum 12-month contract with a private health institute and can choose among open, closed, or preferred doctor plans. Benefits, as well as cost sharing, vary by contract but must be at least equal to those provided by the public system.

Dependents' Medical Benefits

Medical benefits (social insurance): Benefits for dependents are the same as those for the insured.

Medical benefits (mandatory private insurance): Benefits for dependents are the same as those for the insured. A widow(er) and dependent children are covered for a year after the insured's death.

Administrative Organization

Ministry of Health (<http://www.minsal.cl/>) provides general supervision.

Superintendent of Health (<http://www.supersalud.gob.cl/>) oversees the public and private medical benefits and public and private health providers.

National Health Fund (FONASA) collects contributions and administers the social insurance program.

Health Institutions (ISAPREs) (<http://www.isapre.cl/>) collect contributions and administer the mandatory private insurance program.

Employers pay paternity benefits directly to employees.

Work Injury

Regulatory Framework

First law: 1916 (work injury).

Current laws: 1968 (work injury and occupational diseases), 1994 (public-sector workers), 1998 (contribution rates), 2005 (coverage to students and apprentices), 2008 (self-employed workers), 2017 (special contribution), and 2017 (equalizing provisions for workers and employees).

Type of program: Social insurance system.

Note: A 2019 law introduced mandatory social security contributions for certain self-employed persons with annual incomes of at least five times the legal monthly minimum wage. Until 2028, covered self-employed persons can choose to make partial contributions for access to a reduced benefit package. Provisions included below summarize the comprehensive benefit package for self-employed persons.

Coverage

Public- and private-sector workers, self-employed persons with annual incomes of at least five times the legal monthly minimum wage, household workers, contract and temporary workers, students, apprentices, and trade union representatives.

Voluntary coverage for self-employed persons with annual incomes less than five times the legal monthly minimum wage.

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65; 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

Source of Funds

Insured person: None.

Self-employed person: 0.91% of annual covered income plus up to 3.4% of annual covered income, depending on the industry and the assessed degree of risk, and 0.02% of covered income for the sick child benefit under Sickness and Maternity.

The self-employed person's annual covered income is 80% of his or her gross income in the previous year.

The minimum annual income used to calculate contributions is four times the legal monthly minimum wage for mandatorily covered self-employed persons; the legal monthly minimum wage for voluntarily insured self-employed persons.

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65; 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

The maximum annual income used to calculate contributions is based on the maximum monthly earnings used to calculate contributions effective on December 31 for the reporting year.

The maximum monthly earnings used to calculate contributions are 79.2 UFs (Unidad de Fomento). The ceiling is adjusted annually based on changes in real wages in the previous year.

The UF, an index that is adjusted daily based on monthly changes in the consumer price index, is 27,908.86 pesos (July 1, 2019).

Employer: 0.91% of monthly covered payroll plus up to 3.4% of monthly covered payroll depending on the industry and the assessed degree of risk, and 0.02% of monthly covered payroll for the sick child benefit under Sickness and Maternity.

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

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65; 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

The contribution can increase up to 6.8% of monthly covered payroll in companies with high accident rates.

Government: None; contributes as an employer.

Qualifying Conditions

Must be assessed with a work injury or occupational disease. Accidents that occur while commuting to and from work are covered.

Self-employed persons must have paid all due contributions.

Temporary Disability Benefits

Temporary disability benefit (Subsidio por Incapacidad Laboral): For public-sector employees, 100% of the insured's net monthly earnings is paid; for private-sector employees, 100% of the insured's average net monthly earnings in the three months before the disability began; for self-employed persons, 100% of the insured's annual covered income divided by 12 (mandatorily covered persons) or 100% of the insured's average net monthly declared income

in the six months before the disability began (voluntarily insured persons).

The benefit is paid from the day of injury for up to 52 weeks (may be extended up to an additional 52 weeks).

The minimum daily temporary disability benefit is 1/30th of 50% of the monthly non-remuneration minimum wage.

The monthly non-remuneration minimum wage is 194,164 pesos.

Benefit adjustment: Benefits are adjusted based on salary and wage increases.

Permanent Disability Benefits

Permanent disability pension (Pensión por Incapacidad Permanente): For a total disability (at least a 70% assessed degree of disability), 70% of the insured's basic wage is paid.

The basic wage is the insured employee's average monthly covered earnings or the voluntarily insured self-employed person's average monthly covered income in the six months before the disability began; the annual covered income divided by 12 for mandatorily covered self-employed persons.

Preventive and Disability Medical Commissions (Comisiones de Medicina Preventiva e Invalidez [COMPIN]) and evaluation commissions under the organizations that administer the program assess the degree of disability. The degree of disability is reassessed once every two years in the eight years after the pension is awarded.

Constant-attendance allowance (Suplemento por gran invalidez): 30% of the insured's basic wage is paid if the insured requires the constant attendance of others to perform daily functions.

Child's supplement (Suplemento por hijo): 5% of the permanent disability pension is paid for the third and each subsequent child entitled to family allowances.

The minimum monthly permanent disability pension is 138,585.79 pesos if younger than age 70; 151,532.91 pesos if aged 70 to 75; or 161,680.50 pesos if older than age 75.

The maximum initial monthly permanent disability pension is 1,293,981 pesos.

Partial disability: For an assessed degree of disability of 40% to 69%, 35% of the insured's basic wage is paid. A lump sum of up to 15 months of the basic wage is paid for an assessed degree of disability of 15% to 39%.

The permanent disability pension is payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted automatically each year based on changes in the consumer price index; earlier if the change in the consumer price index is at least 10% before the 12-month cycle ends.

Disability education allowance (Subsidio de Escolaridad en caso de Invalidez): For a student assessed with at least a 70% loss of current or future work capacity (at least a 15% loss subject to a means test) that is due to a school accident, 22.275% of the non-remuneration minimum wage is paid a month.

The monthly non-remuneration minimum wage is 194,164 pesos.

Workers' Medical Benefits

Benefits include necessary medical, surgical, dental, and pharmaceutical products; hospitalization; prostheses; rehabilitation; transfer costs, and occupational retraining. Benefits are provided from the day after the disability began or the diagnosis of the occupational disease until the person has recovered.

There is no limit to duration.

There is no cost sharing.

Survivor Benefits

Survivor pension (Pensión de Sobrevivencia)

Spouse's pension (Pensión de cónyuge): 50% of the permanent disability pension the deceased received or was entitled to receive is paid to a widow older than age 45 (at any age if disabled or caring for a child) or to a dependent widower with a disability; 60% if there are no eligible children.

A widow(er) younger than age 45 receives a pension while receiving family benefits for legitimate children (for one year without family benefits). If a widow(er) caring for a child reaches age 45 during this period, the benefit is paid for life.

The minimum monthly spouse's pension is 89,933.16 pesos (if younger than age 70 without children), 112,214.13 pesos (if aged 70 or older without children), 75,226.83 pesos (if younger than age 70 with children), or 96,899.699 pesos (if aged 70 or older with children).

The spouse's pension ceases upon remarriage.

Remarriage settlement (Asignación por nuevo matrimonio): A lump sum of two years of the spouse's pension is paid to a widow aged 45 or older who remarries.

Orphan's pension (Pensión de orfandad): 20% of the permanent disability pension the deceased received or was entitled to receive is paid for each orphan younger than age 18 (age 24 if a student; no limit if disabled); 50% for each full orphan.

The minimum monthly orphan's pension is 20,787.87 pesos.

The maximum combined survivor pension is 100% of the permanent disability pension the deceased received or was entitled to receive.

Survivor pensions are payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted automatically each year based on changes in the consumer price index; earlier if the change in the consumer price index is at least 10% before the 12-month cycle ends.

Funeral grant: See the funeral grant (Asignación por Muerte) paid under Old Age, Disability, and Survivors.

Administrative Organization

Ministry of Labor and Social Security, through the Superintendent of Social Security (<http://www.suseso.cl/>), provides general supervision.

Occupational Safety Institute (<http://www.isl.gob.cl/>) and the Employer's Mutuals (Asociación Chilena de Seguridad, <https://www.achs.cl/>; Mutual de Seguridad de la Cámara Chilena de la Construcción, <https://www.mutual.cl/>; and Instituto de Seguridad del Trabajo, <http://www.ist.cl/>) administer the program and collect contributions.

Unemployment

Regulatory Framework

First law: 1937 (salaried employees).

Current laws: 1981 (unemployment); and 2001 (severance account system), implemented in 2002.

Type of program: Employment-related and mandatory individual account system.

Coverage

Employment related: Employed persons and certain self-employed persons.

Mandatory individual account: Employed persons hired on or after October 2, 2002.

Voluntary coverage for employed persons hired before October 2, 2002.

Exclusions: Household workers, apprentices, pensioners (unless partially disabled), self-employed persons, civil servants, and military personnel.

Source of Funds

Insured person

Employment related: None.

Mandatory individual account: 0.6% of monthly covered earnings plus an administrative fee of about 0.04% for workers with permanent contracts. Workers with fixed-term contracts do not contribute.

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

The legal monthly minimum wage is 301,000 pesos if aged 18 to 65 (March 2019); 224,704 pesos if younger than age 18 or older than age 65 (March 2019).

The maximum monthly earnings used to calculate contributions are 118.9 UFs (Unidad de Fomento). The ceiling is adjusted annually based on changes in real wages in the previous year.

The UF, an index that is adjusted daily based on monthly changes in the consumer price index, is 27,908.86 pesos (July 1, 2019).

Self-employed person

Employment related: None.

Mandatory individual account: Not applicable.

Employer

Employment related: None.

Mandatory individual account: 1.6% of monthly covered payroll for up to 11 years of service plus 0.8% to the Solidarity Severance Fund for employees with permanent contracts; 2.8% of monthly covered payroll plus 0.2% to the Solidarity Severance Fund for employees with fixed-term contracts.

The maximum monthly earnings used to calculate contributions are 118.9 UFs. The ceiling is adjusted annually based on changes in real wages in the previous year.

The UF, an index that is adjusted daily based on monthly changes in the consumer price index, is 27,908.86 pesos (July 1, 2019).

Government

Employment related: The total cost, financed through the Unified Family Allowances and Unemployment Fund.

Mandatory individual account: An annual contribution to the Solidarity Severance Fund of 225,792 UTM (Unidad Tributaria Mensual).

The UTM, a monthly tax indexed unit set by law, is 49,033 pesos.

Qualifying Conditions

Unemployment benefit (Subsidio de Cesantía, employment related): Must be involuntarily unemployed and have at least 12 months or 52 weeks of contributions in the last two years, be registered as seeking employment, and able and willing to work. The insured may not receive an employment-related benefit and an individual account benefit at the same time.

Unemployment benefit (Seguro de Cesantía, mandatory individual account): For insured persons who had permanent contracts, must be involuntarily unemployed with at least 12 months of contributions. For insured persons who had fixed-term contracts, must have at least six months of contributions. In both cases, the contributions must have been made since the insured first joined the program or since the last unemployment benefit was received, which occurred last.

If the balance in the individual account is insufficient to pay a benefit, the insured is eligible for a benefit under the Solidarity Severance Fund if unemployment was involuntary and the insured has made at least 12 months of contributions in the last two years before unemployment began (the last three under the same employer); has not received more than 10 payments from the Solidarity Severance Fund in the last five years; is actively seeking employment, and is available to take job interviews and receive training and temporary job offers.

Solidarity supplement: The insured must opt for payment of benefits under the Solidarity Severance Fund.

Unemployment Benefits

Unemployment benefit (Subsidio de Cesantía, employment related): 17,338 pesos a month is paid for the first 90 days; from 91 days to 180 days, 11,560 pesos a month; from 181 days to 360 days, 8,669 pesos a month.

Unemployment beneficiaries may continue to receive family allowances, maternity benefits, medical benefits and the funeral grant.

If the benefit ceases because the insured has started a new job before 360 days of benefits have been paid, but the insured subsequently becomes unemployed again, the insured may continue receiving the benefit for the remaining period, up to 360 days.

Unemployment benefit (Seguro de Cesantía, mandatory individual account): The number of monthly benefits paid depends on the individual account balance plus accrued interest. The benefit has a decreasing replacement rate of 70%, 55%, 45%, 40%, 35%, 30% and 30% (for the seventh and each subsequent monthly payment).

If the insured had a permanent contract and is entitled to the Solidarity Severance Fund, he or she can receive up to five monthly benefits with a decreasing replacement rate of 70%, 55%, 45%, 40% and 35% on the average monthly earnings in the last 12 months.

The minimum monthly benefit for a permanent contract is 187,272 pesos for the first payment, 147,143 pesos for the second payment, 120,389 pesos for the third payment, 107,013 pesos for the fourth payment, 93,637 pesos for the fifth payment, and 80,259 pesos for each subsequent payment.

The maximum monthly benefit for a permanent contract is 624,241 pesos for the first payment, 490,476 pesos for the second payment, 401,297 pesos for the third payment, 356,709 pesos for the fourth payment, 312,120 pesos for the fifth payment, and 267,532 pesos for each subsequent payment.

If the insured had a fixed-term contract and is entitled to the Solidarity Severance Fund, he or she can receive up to three monthly benefits with a decreasing replacement rate of 50%, 40% and 35% on his or her average monthly earnings in the last 12 months.

The minimum monthly benefit for a fixed-term contract is 133,765 pesos for the first payment, 107,013 pesos for the second payment, 93,637 pesos for the third payment, and 80,259 pesos for each subsequent payment.

The maximum monthly benefit for a fixed-term contract is 445,887 pesos for the first payment, 356,709 pesos for the second payment, 312,120 pesos for the third payment, and 267,532 pesos for each subsequent payment.

For every month that the national unemployment rate is one percentage point greater than the national four-year average, beneficiaries of the Solidarity Severance Fund who are due to receive their final payments are entitled to receive two additional months of benefits. The extended benefit is 30% of the insured's average monthly earnings in the last 12 months.

If the insured dies before retirement, the accumulated capital is transferred to a named survivor, who can then withdraw the accumulated capital or transfer it to his or her individual pension account at retirement (no taxes).

The insured can opt not to receive benefits from the Solidarity Severance Fund and only use his or her individual account. Unemployment beneficiaries may continue to receive family allowances, maternity benefits, and medical benefits.

Solidarity supplement: 10% of the monthly unemployment benefit is paid to the mandatory individual account for old-age, disability, and survivor benefits (see Old Age, Disability, and Survivors).

Benefits are paid 10 days after the claim is accepted.

Administrative Organization

Ministry of Labor and Social Welfare is responsible for policy development.

Social Security Institute (<http://www.ips.gob.cl/>) and Family Allowance Compensation Funds administer the employment-related program.

Superintendent of Pensions (<https://www.spensiones.cl/>), under the Ministry of Labor and Social Welfare, provides general supervision of the mandatory individual account program.

AFC Chile (Sociedad Administradora de Fondos de Cesantía de Chile S.A.) (<https://www.afc.cl/>) administers the mandatory individual account program and collects contributions.

Family Allowances

Regulatory Framework

First laws: 1937 (salaried employees), 1945 (civil servants), and 1953 (wage earners).

Current laws: 1981 (family allowances for low-income persons); 1981 (wage earners and salaried employees),

implemented in 1982; 2008 (social security reform); 2009 (social protection for children); 2009 (employment subsidies); 2012 (CCT); and 2018 (family allowances and maternity benefits).

Type of program: Employment-related and social assistance system.

Coverage

Employment related: Public- and private-sector employees; self-employed persons who contribute to old-age and sickness schemes; pensioners; persons receiving work injury, sickness, or unemployment benefits; minors who are entrusted to adults by a judge; unemployed persons receiving benefits from the Solidarity Severance Fund; and persons in state institutions.

Social assistance: Needy residents of Chile.

Families covered by the employment-related program can opt for social assistance family benefits.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost, financed through the Unified Family Allowances and Unemployment Fund (family allowances) and the Family Subsidy National Fund (family subsidy).

Qualifying Conditions

Family allowance (Asignación Familiar, employment related, income tested): Paid to the insured for certain dependents: children younger than age 18 (age 24 if a student; no limit if disabled), a wife, a husband with a disability, a widowed mother, stepchildren, orphaned or abandoned grandchildren and great-grandchildren, orphans, parents older than age 65 or disabled, and minors who are entrusted to adults by a judge.

Income test: The insured's average monthly income in the last period from January to June must not exceed 719,502 pesos.

Maternity allowance (Asignación Maternal, employment related, income tested): Paid to pregnant insured persons or insured persons on behalf of their pregnant wives.

Income test: The insured's average monthly income in the last period from January to June must not exceed 719,502 pesos.

Family subsidy (Subsidio Familiar/Subsidio Único Familiar [SUF], social assistance, means tested): Paid to families with children younger than age 18 (no limit if disabled) or with mentally disabled family members who do not receive a disability pension. If mothers receive the

benefit on account of their children, they are entitled to an additional subsidy.

Children older than age 6 must regularly attend primary, middle, or secondary school in recognized education institutions (unless disabled).

The family subsidy is not paid to individuals who receive the family allowance or the basic solidarity pension (see Old Age, Disability, and Survivors).

Means test: Must be included in the social registry of households as among the 60% most vulnerable households.

Maternity and pregnancy subsidy (Subsidio Familiar de la Mujer Embarazada, social assistance, means tested):

Paid to pregnant women not receiving a family subsidy.

Means test: Must be included in the social registry of households as among the 60% most vulnerable households.

Family cash transfer (Ingreso Ético Familiar, social assistance, means tested): Paid to extremely poor families, vulnerable people aged 65 or older, homeless persons, and children younger than age 18 whose parents are incarcerated.

Basic benefit (Bono de Protección): Paid to all families enrolled in Ingreso Ético Familiar.

Supplementary benefit (Bono Base Familiar): Paid to families enrolled in Ingreso Ético Familiar with a monthly per capita income of less than 40,647 pesos.

Health benefit (Bono Control del Niño Sano): Paid for children younger than age 6 who undergo regular medical examinations.

School attendance benefit (Bono por Asistencia Escolar): Paid for children aged 6 to 18. Each child must attend 85% of monthly classes in an official educational institution.

School achievement benefit (Bono por Logro Escolar): Paid for certain vulnerable children younger than age 24 who attend school and who score among the top 30% in their cohort in a school year.

Youth employment subsidy (Subsidio al Empleo Joven [SEJ], employment related, means tested): Paid to vulnerable salaried and self-employed workers aged 18 to 24 who do not work for the state or a quasi-public company and are paying contributions. Workers aged 21 to 24 must also have a high school diploma.

Means test: Must be included in the social registry of households as among the 40% most vulnerable households and have a gross annual income of less than 5,699,580.71 pesos or a monthly gross income of less than 474,965.62 pesos.

Women's employment subsidy (Bono al Trabajo de la Mujer [BTM], employment related, means tested): Paid to salaried and self-employed women aged 25 to 59 who are paying contributions.

Means test: Must be included in the social registry as among the 40% most vulnerable households and have an annual gross income below 5,699,580.71 pesos or a monthly gross income below 474,965.62 pesos.

Permanent family grant (Aporte Familiar Permanente, social assistance, income tested): Paid to beneficiaries in the previous year of the family allowance, maternity allowance, family subsidy, or family cash transfer.

Income test: Must have income below a certain limit.

Child benefit (Chile Crece Contigo, social assistance, means tested): Paid for children from pregnancy to age 4 who are delivered at public health centers.

Means test: Must be included in the social registry of households as among the 60% most vulnerable households.

Family Allowance Benefits

Family allowance (Asignación Familiar, employment related, income tested): A monthly allowance is paid for each dependent based on the insured's earnings: 12,364 pesos with monthly earnings up to 315,841 pesos; 7,587 pesos with monthly earnings exceeding 315,841 pesos and up to 461,320 pesos; and 2,398 pesos with monthly earnings exceeding 461,320 pesos and up to 719,502 pesos.

The family allowance is doubled for dependents with disabilities.

Benefit adjustment: Benefits are adjusted on an ad-hoc basis.

Maternity allowance (Asignación Maternal, employment related, income tested): A family allowance is paid to a pregnant woman from conception until childbirth; only one allowance is paid for multiple births. The allowance may be claimed from the fifth month of pregnancy and is paid retroactively.

Benefit adjustment: Benefits are adjusted on an ad-hoc basis.

Family subsidy (Subsidio Familiar/Subsidio Único Familiar [SUF], social assistance, means tested): 12,364 pesos a month is paid.

Benefit adjustment: Benefits are adjusted on an ad-hoc basis.

Maternity and pregnancy subsidy (Subsidio Familiar de la Mujer Embarazada, social assistance, means tested): 12,364 pesos a month is paid.

Benefit adjustment: Benefits are adjusted on an ad-hoc basis.

Family cash transfer (Ingreso Ético Familiar, social assistance, means tested)

Basic benefit (Bono de Protección): 17,446 pesos a month is paid during the first six months of enrollment in the program; 13,292 pesos from month seven to 12; 9,138 pesos from month 13 to 18; 11,887 pesos from month 19 to 24.

Supplementary benefit (Bono Base Familiar): Up to 21,442 pesos a month is paid, depending on the family income, for up to 24 months after enrollment in the program.

Health benefit (Bono Control del Niño Sano): 6,000 pesos a month is paid for up to 24 months; may be paid in addition to other subsidies or allowances.

School attendance benefit (Bono por Asistencia Escolar): 6,000 pesos a month is paid for up to 24 months; may be paid in addition to other subsidies or allowances.

School achievement benefit (Bono por Logro Escolar): A lump sum of 60,601 pesos is paid for each student in the top 15% of his or her cohort; 36,362 pesos for each student in the top 30%.

Benefit adjustment: Benefits are adjusted on an ad-hoc basis.

Youth employment subsidy (Subsidio al Empleo Joven [SEJ], employment related, means tested): The annual benefit amount depends on the insured's annual income in the previous year: 20% of annual income is paid with annual income up to 2,533,147 pesos; 506,629.40 pesos with income exceeding 2,533,147 pesos and up to 3,166,435 pesos; 506,629.40 pesos minus 20% of the difference between the annual income and 3,166,435 pesos with income of 3,166,436 pesos to 5,669,581 pesos.

The employer receives a subsidy of 50% of the workers' monthly benefit for 24 months.

Schedule of payments: Employees can choose to receive a monthly payment or an annual payment in August; self-employed persons receive benefits annually; employers receive subsidies monthly.

Benefit adjustment: Benefits are adjusted on an ad-hoc basis.

Women's employment subsidy (Bono al Trabajo de la Mujer [BTM], employment related, means tested): The annual benefit amount depends on the insured's annual income in the previous year: 20% of annual income is paid with annual income up to 2,533,147 pesos; 506,629.40 pesos with income exceeding 2,533,147 pesos up to 3,166,435 pesos; 506,629.40 pesos minus 20% of the

difference between the annual income and 3,166,435 pesos with income of 3,166,436 pesos to 5,669,581 pesos.

The women's employment subsidy is paid for up to four years.

The employer receives a subsidy of 50% of the workers' monthly benefit for 24 months.

Schedule of payments: Employees can choose to receive a monthly payment or an annual payment in August; self-employed persons receive benefits annually; employers receive subsidies monthly.

Benefit adjustment: Benefits are adjusted on an ad-hoc basis.

Permanent family grant (Aporte Familiar Permanente, social assistance, income tested): 46,374.06 pesos a year is paid for each family member entitled to a family allowance or subsidy or a maternity allowance or subsidy; 46,374.06 pesos a year for each family entitled to the family cash transfer.

Benefit adjustment: Benefits are adjusted on an ad-hoc basis.

Child benefit (Chile Crece Contigo, social assistance, means tested): Benefits include a layette, free kindergarten counselling, and other services.

Benefit adjustment: Benefits are adjusted on an ad-hoc basis.

Administrative Organization

Ministry of Labor and Social Welfare (<http://www.mintrab.gob.cl/>), through the Superintendent of Social Security (<http://www.suseso.cl/>) provides general supervision.

Social Security Institute (<http://www.ips.gob.cl/>), Family Allowance Compensation Funds, individual pension fund management companies (AFPs), insurance companies, employer mutuals, and AFC Chile (Sociedad Administradora de Fondos de Cesantía de Chile S.A.) (<https://www.afc.cl/>) administer the employment-related program.

Municipalities and the Social Security Institute (<http://www.ips.gob.cl/>) administer the social assistance program.