

Portugal

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1935 (1919 legislation not implemented).

Current laws: 1980 (social pensions for noncontributors), 1985 (integration of agricultural workers into general system), 1989 (voluntary insurance), 1993 and 1999 (earnings-linked pensions), 1999 (early pension), and 1999 (minimum pension).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Employed persons and self-employed persons with gross annual income greater than six times the highest minimum wage.

Voluntary coverage for self-employed persons with gross annual income equal to or less than six times the highest minimum wage.

Voluntary coverage for persons not covered by any other contributory program.

Special systems for miners, longshoremen, railway workers, fishermen, and merchant seamen. (Special systems will gradually be unified with the general system.)

Social assistance: Persons not covered under a contributory program.

Source of Funds

Insured person: 11% of earnings.

Self-employed person: 25.4% of reference income for mandatory coverage and 32% of reference income for voluntary coverage. (The reference income for contribution purposes is chosen by the self-employed person from a range of one to eleven times the national minimum wage. The national minimum wage is €65.60.)

Employer: 23.75% of payroll.

All of the above contributions also finance sickness and maternity, occupational disease (employer only), unemployment, and family benefits. Of the total 34.75% contributed by the insured person and employer, 16.01% is allocated to old-age benefits, 3.42% to disability benefits, and 3.67% to survivor benefits.

Government: Subsidy for the social pension.

Qualifying Conditions

Old-age pension: Age 65 (men and women) with 15 years of contributions (120 days of registered pay are needed for a year to be credited).

Age 50 for miners; age 55 for longshoremen, fishermen, and merchant seamen; age 60 for aircraft flight crew; age 55 for air traffic controllers; age 55 for dancers or at age 45 with a reduced pension.

The pension is payable abroad.

The pension is paid to unemployed persons at age 60 if unemployment benefit is exhausted, at age 58 (under a special scheme), or at age 55 with a reduced pension.

Early pension: Age 55 with at least 30 years of contributions.

Deferred pension: From age 65. Retirement from covered employment is necessary at age 70.

Social pension: Aged 65 or older and no coverage under any contributory social security program. Monthly income may not exceed 30% of the national minimum wage for a single person; 50% for a couple. The social pension is not payable abroad unless specified in a reciprocal agreement.

Disability pension: The loss of 2/3 of earning capacity with 5 years of contributions (120 days of registered pay are needed for a year to be credited).

The pension is payable abroad.

Social pension: Aged 18 or older if disabled and no coverage under any contributory program. Monthly income may not exceed 30% of the national minimum wage for a single person; 50% for a couple. The social pension is not payable abroad unless specified in a reciprocal agreement.

Survivor pension: The insured met the pension requirements (3 months of registered pay are needed for a year to be credited) or was a pensioner at the time of death.

The pension is payable abroad.

Old-Age Benefits

Old-age pension: 2% of the average adjusted lifetime salary for each year of contributions (2% to 2.35% according to the insured's reference earnings for those with 21 years or more of contributions), up to a maximum of 40 years.

The reference earnings vary between 1.1 and 8 times the minimum wage.

For a transitional period (until 2017), pensions may be calculated according to the former method (2% of average annual earnings for the best 10 years out of the last 15 years multiplied by the total number of years of insurance) or the current method (above), or a combination of the two, whichever is higher.

The minimum pension is either 30% of the reference earnings used for calculating the pension or a monthly amount fixed according to the length of the insured's career (ranging from €208 for a career of no more than 15 years to €25.33 for a maximum of 40 years), whichever is higher.

The maximum pension is 92% of the reference earnings used for calculating the pension.

Deferred pension: An increment is paid for the deferral period.

An additional pension payment is made each Christmas and July.

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

Social pension (income-tested): €151.84 a month.

Extraordinary complementary allowance: For persons receiving the social pension, an allowance of €14.46 up to age 69; €28.91 if aged 70 or older.

Constant-attendance supplement: 50% (€75.92) or 90% (€136.66) of the social pension for those receiving the contributory pension, according to degree of dependence; 45% (€68.33) or 85% (€129.06) for those receiving the income-tested pension.

Permanent Disability Benefits

Disability pension: 2% of the average adjusted lifetime salary for each year of contributions (2% to 2.35% according to the insured's reference earnings for those with 21 years or more of contributions), up to a maximum of 40 years.

The reference earnings vary between 1.1 and 8 times the minimum wage.

For a transitional period (until 2017), pensions may be calculated according to the former method (2% of average annual earnings for the best 10 years out of the last 15 years multiplied by the total number of years of insurance) or the current method (above), or a combination of the two, whichever is higher.

The minimum pension is either 30% of the reference earnings used for calculating the pension or a monthly amount fixed accordingly to the length of the insured's career (ranging from €208 for a career of no more than 15 years to €325.33 for a maximum of 40 years), whichever is higher.

The maximum pension is 92% of the reference earnings used for calculating the pension.

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Constant-attendance supplement: 50% (€75.92) or 90% (€136.66) of the social pension for those receiving the contributory pension, according to degree of dependence; 45% (€68.33) or 85% (€129.06) for those receiving the income-tested pension.

Survivor Benefits

Survivor pension: 60% of the insured's pension (70% if both the spouse and a divorced spouse are eligible) is payable to a widow(er). The pension is limited to 5 years unless the widow(er) is over age 35, disabled, or caring for a child.

Orphan's pension: 20% of the insured's pension for one orphan, 30% for two orphans, or 40% for three or more orphans under age 18 (age 27 if a student, no limit if disabled); for full orphans the pension is 40%, 60%, or 80% for one, two, or three or more beneficiaries, respectively.

Other eligible survivors (in absence of above): Parents or grandparents. The combined survivor pension is 30%, 50%, or 80% of the insured's pension, for one, two, or three or more beneficiaries, respectively.

The maximum survivor pension is 100% of the insured's pension.

An additional pension payment is made each Christmas and July.

Death grant: An amount equal to six times average monthly earnings during the best 2 of the last 5 years.

Widow(er)'s social pension (income-tested): 60% of the social pension.

Orphan's social pension (income-tested): The combined benefit is 20%, 30%, or 40% of the social pension for one, two, or three or more orphans, respectively.

Administrative Organization

Ministry of Labor and Solidarity provides general supervision through the State Secretariat of Solidarity and Social Security.

Solidarity and Social Security Institute administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1935 (1919 legislation not implemented).

Current laws: 1988 and 1990 (sickness); 1988, 1995, 1998, 1999, and 2000 (maternity, paternity, and adoption).

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

Coverage

Cash sickness benefits: Employed persons.

Voluntary insurance for self-employed and certain categories of persons not covered by any other contributory program.

Cash maternity, paternity, and adoption benefits: Employed and self-employed persons.

Voluntary insurance for certain categories of persons not covered by any other contributory program.

Medical benefits: All resident citizens and foreign residents whose country has a reciprocal agreement with Portugal.

Source of Funds

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

Self-employed person: See source of funds under Old Age, Disability, and Survivors, above.

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

Government: Subsidy for medical benefits.

Of the total 34.75% contributed by the insured person and employer, 3.05% is allocated to sickness benefits and 0.73% to maternity benefits.

Qualifying Conditions

Cash sickness benefit: Six months of insurance, including 12 days of contributions in the 4 months before the onset of illness.

Maternity, paternity, and adoption benefits: Six months of insurance.

Sickness and Maternity Benefits

Sickness benefit: 65% of average earnings during the 6 months preceding the 2 months before the month of the onset of illness; 70% for a long-term illness (of at least 365 days); 80% to 100% if hospitalized for tuberculosis. The benefit is payable after a 3-day waiting period (30 days for the self-employed). The waiting period is waived in cases of hospitalization or tuberculosis or during the postpartum period. The maximum duration is 1,095 days (365 days for the self-employed), with no limit for cases of tuberculosis.

The minimum sickness benefit is either 30% of the minimum wage in the insured's profession or the reference earnings used for calculating the cash sickness benefit, whichever is lower.

Disabled or sick child allowance: Payable to provide care for a child. The allowance is 100% of average earnings during the 6 months preceding the 2 months before receiving benefit and is payable for a maximum of 30 days per year to each child under age 10; without limit in cases of hospitalization. For a serious disability or chronic illness in children under age 12, the allowance is payable for between 6 months and 4 years.

Maternity benefit: 100% of average earnings during the 6 months preceding the 2 months before childbirth. The benefit is payable for 120 days (90 days must be after childbirth).

The minimum maternity benefit is 50% of the minimum wage in the insured's profession.

Special maternity allowance: 65% of average earnings during the 6 months preceding the 2 months before ceasing

work. The allowance is payable to women who work at night or whose job involves exposure to dangerous substances.

Paternity benefit: 100% of average earnings during the 6 months preceding the 2 months before childbirth, payable for 5 days.

Paternity benefit is not payable to self-employed persons.

The minimum paternity benefit is 50% of the minimum wage in the insured's profession.

Adoption benefit: 100% of average earnings during the 6 months preceding the 2 months before adoption, payable for the first 100 days following the adoption of a child under age 15.

The minimum adoption benefit is 50% of the minimum wage in the insured's profession.

Parental leave benefit: 100% of average earnings during the 6 months preceding the 2 months before parental leave is taken. The benefit is payable to the father for 15 days but only if preceded by paternity or maternity leave. The parental leave period is credited when calculating the disability or old-age pension.

Special leave benefit for grandparents: 100% of average earnings during the 6 months preceding the 2 months before childbirth. The benefit is payable for 30 days following the birth of a grandchild if the parent of the newborn child is a minor and living in the family home.

Special leave benefit for grandparents is not payable to self-employed persons.

Workers' Medical Benefits

Medical services are provided directly to patients by health centers and hospitals. Benefits include general and specialist care, maternity care, hospitalization, surgery, and listed medicines. Some cost sharing.

There is no limit to duration.

Dependents' Medical Benefits

Medical services are provided directly to patients by health centers and hospitals. Benefits include general and specialist care, maternity care, hospitalization, surgery, and listed medicines. Some cost sharing.

There is no limit to duration.

Administrative Organization

Ministry of Labor and Solidarity, through the State Secretariat of Solidarity and Social Security, provides general supervision.

Regional Social Security Centers administer cash benefits.

Regional Health Administrations administer medical benefits.

Work Injury

Regulatory Framework

First law: 1913.

Current laws: 1997, 1999, and 2001.

Type of program: Employer must purchase liability insurance for work injury with a private carrier. Social insurance system for occupational diseases.

Coverage

Employed and self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: For contributions for occupational diseases only, see source of funds under Old Age, Disability, and Survivors.

Employer: Variable premiums according to the assessed degree of risk (work injury), plus 0.5% (occupational diseases) taken from the contribution for Old Age, Disability, and Survivors.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

70% of reference earnings during the first 12 months; thereafter, 75%. The benefit is payable until recovery or until determination of permanent total disability.

The reference earnings are based on the average daily wage.

Partial disability: 70% of lost earning capacity.

Permanent Disability Benefits

Permanent disability pension: For total incapacity for work in the usual profession, the pension is between 50% and 70% of reference earnings according to the insured's residual earning capacity. For total incapacity for all work, the pension is 80% of reference earnings plus 10% for each dependent, up to the limit of 100%.

The reference earnings are based on the annual wage (work injury) or the average monthly wage (occupational disease).

Partial disability: 70% of the lost earning capacity if the assessed degree of disability is more than 30%; if the disability is less than 30%, an amount corresponding to 70% of the lost earning capacity is paid as a lump sum.

Survivor Benefits

Survivor pension: 30% of covered earnings to the surviving spouse; 40% if the surviving spouse is aged 65 or older or disabled.

Orphan's pension: 20% of covered earnings for one orphan, 40% for two orphans, or 50% for three or more orphans under age 18 (age 22 or 25 if a student). Full orphans receive double benefits, up to a total maximum of 80% of the insured's salary.

Parent's pension: 10% of covered earnings for each surviving parent, up to a maximum of 30%.

Funeral grant: The cost of the funeral up to a maximum of four times the monthly minimum wage; the grant is doubled if transportation costs are necessary.

Death allowance: Twelve times the monthly minimum wage, with 50% payable to the spouse and 50% to the children; 100% is paid if there is only one dependent survivor.

Administrative Organization

Ministry of Finance provides general supervision of the work injury program through the Portuguese Insurance Institute.

Insurance companies manage work accident insurance policies.

Portuguese Insurance Institute supervises insurance companies.

Ministry of Labor and Solidarity provides general supervision of the occupational diseases program through the Secretary of State for Solidarity and Social Security.

National Occupational Disease Insurance Fund administers the occupational disease program.

Unemployment

Regulatory Framework

First law: 1975.

Current law: 1999.

Type of program: Social insurance and social assistance system.

Coverage

Employed persons.

Source of Funds

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

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

Government: None.

Of the total 34.75% contributed by the insured person and employer, 5.22% is allocated to unemployment benefits.

Qualifying Conditions

Unemployment benefit: 540 days of earnings in the 24 months before unemployment. Registration at an employment office is required. The person must be capable of, and available for, work. Unemployment must be involuntary.

Social assistance unemployment benefit (income-tested): 180 days of earnings in the 12 months before unemployment. Registration at an employment office is required. The person must be capable of, and available for, work. Unemployment must be involuntary.

Partial unemployment benefit: For insured persons in part-time employment whose income is lower than the value of unemployment benefit and who work more than 20% but less than 75% of the normal workweek.

Unemployment Benefits

65% of average earnings during the 12 months preceding the 2 months before the month during which unemployment began.

The minimum benefit is equal to the minimum wage.

The maximum benefit is equal to three times the minimum wage.

The duration of entitlement is calculated according to the age of the insured. For individuals up to age 30, 12 months; between ages 31 and 40, 18 months; between ages 41 and 45, 24 months; older than age 45, 30 months plus 2 months for each 5-year contribution period during the last 20 years.

Social assistance unemployment benefit: 80% of the minimum wage if single; 100% if the claimant has dependents.

The duration of entitlement is calculated according to the insured's age. For individuals up to age 30, 12 months; between ages 31 and 40, 18 months; between ages 41 and 45, 24 months; older than age 45, 30 months plus 2 months for each 5-year contribution period during the last 20 years.

Partial unemployment benefit: The benefit is equal to the difference between 1.3 times the unemployment benefit and the value of part-time work earnings. The duration of the benefit corresponds to the period of unemployment benefit that would otherwise have been awarded if fully unemployed.

For insured persons aged 55 or older, the unemployment benefit is paid until age 60, when the unemployment benefit is converted to the old-age pension. An unemployed person can also claim an old-age pension at age 58 (under certain conditions and in the framework of a temporary program) or at age 55 (under certain conditions and with a benefit reduction).

Administrative Organization

Ministry of Labor and Solidarity provides general supervision through the State Secretariat for Solidarity and Social Security.

Solidarity and Social Security Institute administers the program.

Employment centers review claimants' eligibility.

Family Allowances

Regulatory Framework

First law: 1942.

Current laws: 1980, 1997, 1999, and 2001.

Type of program: Universal system.

Coverage

Nationals, foreign citizens, refugees, and noncitizens residing in Portugal (or deemed as such).

Source of Funds

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

Self-insured person: See source of funds under Old Age, Disability, and Survivors, above.

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

Government: Makes a contribution.

Of the total 34.75% contribution by the insured person and employer, 2.15% is allocated to family benefits.

Qualifying Conditions

Family allowances (income-tested): Child must be under age 16 (age 18, 21, or 24 if a student or disabled; age 27 in cases of illness or accident), residing in Portugal, and not receiving income from employment. The benefit is granted to a child living with a family or residing in a children's home.

Funeral allowance: Awarded to the person who met the cost of the funeral of a noncovered citizen residing in Portugal.

Family Allowance Benefits

Family allowances: The allowance is calculated according to family income and the child's age. The reference family income is determined by dividing the total income of all working family members by the number of eligible children plus one. The allowance is paid for reference family income up to five times the national minimum wage.

If the reference family income is lower than or equal to half the national minimum wage, €120 per month is paid to each child up to 12 months of age and €30 per month to each child older than 12 months. Eligible children between ages 6 and 16 receive an additional payment each September toward education fees.

If the reference family income is more than half of the national minimum wage but no more than the national minimum wage, €100 per month is paid to each child up to 12 months of age and €25 per month to each child older than 12 months.

If the reference family income is more than the national minimum wage but no more than 150% of the national minimum wage, €80 per month is paid to each child up to 12 months of age and €23 per month to each child older than 12 months.

If the reference family income is more than 150% but no more than 250% of the national minimum wage, €50 per month is paid to each child up to 12 months of age and €20 per month to each child older than 12 months.

If the reference family income is more than 250% but no more than 500% of the national minimum wage, €30 per month is paid to each child up to 12 months of age and €10 per month to each child older than 12 months.

Disabled child special supplement: €19.41 a month if under age 14; €72.55 if between ages 14 and 18; €97.12 if between ages 18 and 24. Subject to dependency and the degree of disability.

Constant-attendance supplement: €71.90 a month. Subject to dependency and the degree of disability.

Disabled person monthly allowance: €143.80 a month for life is paid to a disabled person older than age 24. Subject to dependency and the degree of disability.

Extraordinary complementary allowance: In addition to the disabled person monthly allowance, €14.46 if the person is younger than age 70; €28.91 if aged 70 or older. Subject to dependency and the degree of disability.

Special education allowance: A variable amount is payable on behalf of the insured's descendant if the descendant is under age 24 and attending school in a special educational establishment or receiving other special educational assistance. Subject to dependency and the degree of disability.

Funeral grant: €187.19.

Administrative Organization

Ministry of Labor and Solidarity provides general supervision through the State Secretariat for Solidarity and Social Security.

Solidarity and Social Security Institute administers the program.