

Honduras

Exchange rate: US\$1.00 = 25.00 lempiras.

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1957 (constitution); 1959 (social security), implemented in 1971; and 2015 (social protection system).

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

Coverage

Social insurance: Salaried workers in public- and private-sector enterprises, civil servants, forestry workers, most agricultural workers, and apprentices.

Voluntary coverage for self-employed persons; household workers; employers and agricultural workers without mandatory coverage; cooperative members, and recognized workers and farmers' associations; and occasional and temporary workers.

Special systems for military personnel, executive branch employees, teachers and professors, and National Autonomous University of Honduras employees.

Mandatory individual account: Salaried workers in public- and private-sector enterprises, civil servants, forestry workers, most agricultural workers, and apprentices, with monthly earnings exceeding 9,326.42 lempiras.

Voluntary coverage for persons with monthly earnings up to 9,326.42 lempiras.

Source of Funds

Insured person

Social insurance: 2.5% of monthly covered earnings.

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

The legal monthly minimum wage ranges from 6,440.66 lempiras to 11,549 lempiras, depending on the economic sector.

The maximum monthly earnings used to calculate contributions are 9,326.42 lempiras.

Mandatory individual account: 1.5% of monthly covered earnings.

The minimum monthly earnings used to calculate contributions are 9,326.43 lempiras.

Self-employed person

Social insurance: 4% of estimated monthly earnings.

The maximum monthly earnings used to calculate contributions are 9,326.42 lempiras.

Mandatory individual account: A contribution is paid.

The minimum monthly earnings used to calculate contributions are 9,326.43 lempiras.

Employer

Social insurance: 3.5% of monthly covered payroll.

The maximum monthly earnings used to calculate contributions are 9,326.42 lempiras.

Mandatory individual account: 1.5% of monthly covered payroll.

The minimum monthly earnings used to calculate contributions are 9,326.43 lempiras.

Government

Social insurance: At least 0.5% of the total insured person and employer contributions; contributes as an employer.

Mandatory individual account: None; contributes as an employer.

Qualifying Conditions

Old-age pension (Pensión por Vejez, Régimen del Seguro de Previsión Social, social insurance): Age 65 (men) or age 60 (women) with at least 180 months of contributions.

Employment must cease.

Deferred pension: The pension may be deferred. There is no age limit.

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

Old-age settlement (Régimen del Seguro de Previsión Social, social insurance): Age 65 (men) or age 60 (women) with less than 180 months of contributions.

Old-age benefit (Cuentas Individuales de Capitalización, mandatory individual account): At any age with at least five years of contributions.

Early withdrawal: At any age with less than five years of contributions.

Disability pension (Pensión por Invalidez, Régimen del Seguro de Previsión Social, social insurance): Must have at least a 65% assessed loss of earning capacity for the usual occupation and at least 36 months of contributions in the last six years; eight months of contributions in the last 24 months for a nonwork-related accident.

Constant-attendance supplement: Must have at least a 51% assessed degree of disability and require the constant attendance of others to perform daily functions.

Disability settlement (Régimen del Seguro de Previsión Social, social insurance): Must be assessed with a disability and not qualify for the disability pension.

Survivor pension (Pensión por Sobrevivencia, Régimen del Seguro de Previsión Social, social insurance): For a death resulting from an illness, the deceased must have at least 36 months of contributions in the last six years; for a death resulting from a nonwork-related accident, must have eight months of contributions in the 24 months before death.

Eligible survivors include a widow(er) or partner aged 65 or older or with a disability, and orphans younger than age 14 (age 18 if a student; no limit if disabled); if there is no widow(er), partner, or orphan, a mother of any age and a father older than age 65 or with a disability.

The widow(er)'s or partner's pension ceases upon (re)marriage.

Remarriage settlement: Paid to a widow(er) or partner upon (re)marriage.

Survivor settlement (Cuentas Individuales de Capitalización, mandatory individual account): Paid if an insured person dies. There is no minimum contribution period.

Eligible survivors include designated beneficiaries or, in their absence, the deceased's legal heirs.

Funeral grant (Ayuda Funeral Única, Régimen del Seguro de Previsión Social, social insurance): The deceased must have been employed or receiving an old-age or disability pension at the time of death, or had at least one month of contributions in the six months before death.

Old-Age Benefits

Old-age pension (Pensión por Vejez, Régimen del Seguro de Previsión Social, social insurance): 40% of the insured's basic monthly earnings plus 1% of basic monthly earnings for every 12 months of contributions exceeding 60 months is paid.

Basic monthly earnings are the insured's average monthly earnings in the 180 months before the month of entitlement.

Deferred pension: An additional 3% of the insured's basic monthly earnings is paid for each year of contributions after the normal retirement age.

The minimum monthly old-age pension is 50% of the insured's basic monthly earnings or 1,500 lempiras, whichever is greater.

The maximum monthly old-age pension is 80% of the insured's basic monthly earnings.

Constant-attendance supplement: Up to 50% of the old-age pension is paid.

Old-age settlement (Régimen del Seguro de Previsión Social, social insurance): A lump sum of total employee contributions is paid.

Old-age benefit (Cuentas Individuales de Capitalización, mandatory individual account): Up to the total account balance may be paid as programmed withdrawals or a lump sum.

Early withdrawal: Up to the total account balance, minus an early withdrawal fee, may be paid as programmed withdrawals or a lump sum.

Permanent Disability Benefits

Disability pension (Pensión por Invalidez, Régimen del Seguro de Previsión Social, social insurance): 40% of the insured's basic monthly earnings plus 1% of basic monthly earnings for every 12 months of contributions exceeding 60 months multiplied by the loss of earning is paid.

Basic monthly earnings are the insured's average monthly earnings in the 180 months before the month of entitlement (or over the total contribution period if less than 180 months).

The minimum monthly disability pension is 50% of the insured's basic monthly earnings or 1,500 lempiras, whichever is greater.

The maximum monthly disability pension is 80% of the insured's basic monthly earnings.

Constant-attendance supplement: Up to 50% of the disability pension is paid.

Disability settlement (Régimen del Seguro de Previsión Social, social insurance): A lump sum of total employee contributions is paid.

Survivor Benefits

Survivor pension (Pensión por Sobrevivencia, Régimen del Seguro de Previsión Social, social insurance)

Spouse's pension (Pensión por viudez): 40% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to an eligible widow(er) or partner.

The minimum monthly spouse's pension is 600 lempiras.

Remarriage settlement: A lump sum of 12 months of the spouse's pension is paid to an eligible widow(er) or partner.

Orphan's pension (Pensión por orfandad): 20% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to each eligible orphan; 40% for a full orphan.

The minimum monthly orphan's pension is 300 lempiras.

Dependent parent's pension: If there is no eligible widow(er), partner, or orphan, 20% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to each eligible parent.

The minimum monthly dependent parent's pension is 300 lempiras.

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The maximum combined survivor pension is 100% of the social insurance old-age or disability pension the deceased received or was entitled to receive.

Survivor settlement (Cuentas Individuales de Capitalización, mandatory individual account): A lump sum of the deceased's total account balance is split among eligible survivors.

Funeral grant (Ayuda Funeral Única, Régimen del Seguro de Previsión Social, social insurance): A lump sum of two times the lowest legal monthly minimum wage is paid.

The lowest legal monthly minimum wage is 6,440.66 lempiras.

Administrative Organization

Secretariat of Labor and Social Security (<http://www.trabajo.gob.hn/>) provides general supervision.

National Commission on Banking and Insurance (CNBS) (<http://www.cnbs.gob.hn/>) provides financial supervision.

Social Security Institute (<http://ihss.hn/>), managed by a board of directors and director general, administers and collects contributions for the social insurance program.

Pension Fund Administrators (Administradoras de Fondo de Pensiones) administer the mandatory individual account program.

Sickness and Maternity

Regulatory Framework

First and current laws: 1957 (social insurance); 1959 (social security), implemented in 1971; and 2015 (social protection system).

Type of program: Social insurance (cash and medical benefits) and employer-liability (cash benefits) system.

Coverage

Cash sickness benefit (social insurance): Public-sector employees, employees of firms in industry and commerce with one or more workers, old-age and disability pensioners, and unemployed persons.

Exclusions: Self-employed persons; and household, agricultural, family, and temporary workers.

Cash maternity benefit (social insurance): Public-sector employees, employees of firms in industry and commerce with one or more workers, self-employed persons, and disability pensioners.

Exclusions: Unemployed persons; and agricultural, family, and temporary workers.

Cash sickness and maternity benefits (employer liability): Public- and private-sector employees.

Exclusion: Self-employed persons.

Medical benefits (social insurance): Public-sector employees, employees of firms in industry and commerce with one or more workers, old-age and disability pensioners, unemployed persons, self-employed persons, and household workers.

Exclusions: Agricultural and temporary workers.

Coverage is gradually being extended to all regions of the country.

Source of Funds

Insured person

Social insurance: 2.5% of monthly covered earnings.

The monthly earnings used to calculate contributions are subject to a minimum.

The maximum monthly earnings used to calculate contributions are 8,933.97 lempiras.

The insured person's contributions also finance work injury benefits.

Employer liability: None.

Self-employed person

Social insurance: 7% of estimated monthly earnings; 2% of estimated monthly earnings for persons assessed as needy.

The monthly earnings used to calculate contributions are subject to a minimum and a maximum.

Employer liability: Not applicable.

Employer

Social insurance: 5% of covered monthly payroll.

The monthly earnings used to calculate contributions are subject to a minimum.

The maximum monthly earnings used to calculate contributions are 8,933.97 lempiras.

Employer liability: The total cost.

Government

Social insurance: 0.5% of the total insured person and employer contributions from the previous year; subsidizes contributions for needy self-employed persons; contributes as an employer.

The monthly earnings used to calculate contributions are subject to a minimum.

The maximum monthly earnings used to calculate contributions are 8,933.97 lempiras.

Employer liability: None; contributes as an employer.

Qualifying Conditions

Cash sickness benefit (Subsidio por Enfermedad o Accidente Común, Régimen del Seguro de Atención de la Salud, social insurance): Must have at least two months of contributions in the four months before the incapacity began. Unemployed persons must have at least 35 days of contributions in the three months before unemployment began.

Cash maternity benefit (Subsidio en Maternidad, Régimen del Seguro de Atención de la Salud, social insurance and employer liability): Must have at least 10 months of contributions immediately before the start of the maternity leave.

Medical benefits (Régimen del Seguro de Atención de la Salud, social insurance): Must be in covered employment or unemployed with at least 35 days of coverage in the three months before unemployment began. For maternity medical benefits, must have at least 10 months of contributions immediately before the expected date of childbirth or at least 12 months of contributions in the last 18 months. For children's medical benefits, the insured must have at least 35 days of contributions in the three months before the incapacity began.

Eligible dependents include a dependent spouse or partner and children up to age 18 (including children of a previously insured person for up to two months after covered employment ceased). There is a 10-month waiting period for dependent partners.

Sickness and Maternity Benefits

Sickness benefit (Subsidio por Enfermedad o Accidente Común, Régimen del Seguro de Atención de la Salud, social insurance; and employer liability): 66% of the insured's earnings in the last three months (100% if hospitalized and without dependents, split equally between the Social Security Institute and the employer) is paid after a three-day waiting period for up to 26 weeks; may be extended to 52 weeks.

The labor code requires employers to provide sick leave to employees not covered by social insurance.

Maternity benefit (Régimen del Seguro de Atención de la Salud, social insurance; and employer liability): 100% of the insured's earnings in the last three months is paid for 42 days before and 42 days after the expected date of childbirth. (The Social Security Institute pays 66% of the cost and the employer pays the remaining 34%.)

The labor code requires employers to provide maternity leave to employees not covered by social insurance.

Workers' Medical Benefits

Medical benefits (Régimen del Seguro de Atención de la Salud, social insurance): Social Security Institute health facilities provide medical services directly to patients. Benefits include general and specialist care,

surgery, hospitalization, necessary medicine, laboratory services, appliances, dental care, and maternity care (including postpartum care for up to 45 days; may be extended up to a total of 26 weeks).

The duration of benefits is dependent on continuing to meet the contribution requirements. If the insured is unemployed, benefits are limited to 30 days.

Dependents' Medical Benefits

Medical benefits (Régimen del Seguro de Atención de la Salud, social insurance): Benefits include general care, minor surgeries, necessary medicine, laboratory services, appliances, dental care, and maternity care (including postpartum care for up to 45 days).

Administrative Organization

Secretariat of Labor and Social Security (<http://www.trabajo.gob.hn/>) provides general supervision.

Social Security Institute (<http://ihss.hn/>), managed by a board of directors and director general, administers the social insurance program.

Employers pay cash benefits directly to employees.

Social Security Institute operates its own hospitals and outpatient clinics and contracts with private clinics, including in cities without public facilities.

Work Injury

Regulatory Framework

First and current laws: 1959 (social security), implemented in 1971; and 2015 (social protection system).

Type of program: Employer-liability system through a public or private carrier.

Coverage

Public-sector employees, employees of firms in industry and commerce with one or more workers in specified regions, and certain self-employed persons.

Voluntary coverage is available.

Exclusions: Most self-employed persons and agricultural, household, family, and temporary workers.

Source of Funds

Insured person: None.

Self-employed person: The total cost (pays insurance premiums).

Employer: The total cost (pays insurance premiums).

Government: None, contributes as an employer.

Qualifying Conditions

Work injury benefits: Must have at least two months of contributions in the last four months to qualify for a temporary disability benefit; there is no minimum qualifying period for the permanent disability pension. An insured person who becomes unemployed must prove that the illness or incapacity is work-related and began no more than two months after employment ceased.

Survivor benefits: The deceased must have at least one month of covered employment.

Temporary Disability Benefits

Temporary disability benefit (Subsidio por Incapacidad Temporal, Régimen del Seguro de Riesgos Profesionales): For an assessed degree of disability up to 15%, 66% of the insured's daily wage is paid after a three-day waiting period for up to 26 weeks until recovery, certification of permanent disability, or death. The benefit may be extended for up to 52 weeks.

For an assessed degree of disability above 15%, a permanent disability pension is paid.

The daily wage used to calculate benefits is subject to a maximum.

Permanent Disability Benefits

Permanent disability pension (Pensión por Incapacidad Permanente, Régimen del Seguro de Riesgos Profesionales): For an assessed degree of disability of at least 65%, 70% of the insured's basic monthly earnings is paid.

Basic monthly earnings are the insured's average monthly earnings in the month before the disability began.

Constant-attendance supplement: Up to 50% of the permanent disability pension is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: For an assessed degree of disability above 15% but less than 65%, a percentage of the full permanent disability pension is paid based on the assessed degree of disability.

Workers' Medical Benefits

Benefits include medical, surgical, and hospital care; medicine; and appliances.

Survivor Benefits

Survivor pension (Pensión por Sobrevivencia, Régimen del Seguro de Riesgos Profesionales)

Spouse's pension (Pensión por viudez): 40% of the permanent disability pension the deceased received or was entitled to receive is paid to a widow(er) or partner older than age 65 or with a disability.

Orphan's pension (Pensión por orfandad): 20% of the permanent disability pension the deceased received or was

entitled to receive is paid to each orphan younger than age 14 (age 18 if a student; no limit if disabled); 40% for a full orphan.

Dependent parent's pension (Pensión de padres a cargo): If there is no eligible widow(er), partner, or orphan, 20% of the permanent disability pension the deceased received or was entitled to receive is paid to a mother of any age or a father older than age 65 or with a disability.

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

Funeral grant (Ayuda Funeral Única, Régimen del Seguro de Riesgos Profesionales): A lump sum of two times the lowest legal monthly minimum wage is paid.

The lowest legal monthly minimum wage is 6,440.66 lempiras.

Administrative Organization

Secretariat of Labor and Social Security (<http://www.trabajo.gob.hn/>) provides general supervision.

Social Security Institute (<http://ihss.hn/>), managed by a board of directors and director general, administers the program.

Social Security Institute operates its own outpatient clinics and hospitals.

Unemployment

Regulatory Framework

First and current law: 2015 (social protection system).

Type of program: Mandatory individual account and employer-liability system.

Coverage

Private-sector employees.

Exclusions: Self-employed persons and public-sector employees.

Source of Funds

Insured person

Mandatory individual account: None.

Employer liability: None.

Self-employed person

Mandatory individual account: Not applicable.

Employer liability: Not applicable.

Employer

Mandatory individual account: 1.98% (increasing to 4% by 2021) of monthly covered payroll for employers with at least 10 employees; 1.32% (increasing to 4% by 2023)

of monthly covered payroll for employers with fewer than 10 employees.

The monthly earnings used to calculate contributions are subject to a minimum.

The maximum monthly earnings used to calculate contributions are three times the highest legal monthly minimum wage.

The legal monthly minimum wage varies depending on the industry and the size of the company.

The employer's contributions cease when the individual account balance reaches 50% of the maximum severance payable (25 months of the insured's salary).

Employer liability: The total cost.

Government

Mandatory individual account: None.

Employer liability: None.

Qualifying Conditions

Severance benefit (Auxilio de Cesantía, Régimen de Cobertura Laboral, mandatory individual account and employer liability): Must have at least three months of continuous employment with the same employer and have been involuntarily terminated or unfairly dismissed by the employer.

Loan program: The insured may take loans against his or her account balance to pay for housing and certain other expenses.

Unemployment Benefits

Severance benefit (Auxilio de Cesantía, Régimen de Cobertura Laboral, mandatory individual account and employer liability): The benefit is 10 days of the insured's salary with three to six months of continuous employment; 20 days of salary with at least six but less than 12 months of continuous employment; or one month of pay with at least one year of continuous employment and for every 12 months of continuous employment exceeding one year.

The maximum severance benefit is 25 months of the insured's salary; 15 months if the insured was employed at a firm with fewer than 10 employees.

The individual account balance finances 50% of the severance benefit and the employer finances the remaining 50%.

Loan program: Up to 80% of the account balance may be used as collateral against a loan from an approved lending institution.

Administrative Organization

National Commission of Banks and Insurance (CNBS) (<http://www.cnbs.gob.hn/>) provides general supervision.

Individual pension and severance fund administrators administer the individual accounts and collect contributions.

Family Allowances

Regulatory Framework

First and current law: 2010 (family cash transfer).

Type of program: Social assistance system.

Coverage

Needy resident of Honduras.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Cash transfer for families in urban areas (Bono Vida Mejor, means tested): Paid to households in urban areas with children up to age 18 or pregnant women. Children aged 7 to 18 must be enrolled in school and attend at least 80% of classes.

Means test: Must be assessed as living in extreme poverty based on the Unique Socioeconomic Survey (Ficha Socioeconómica Única [FSU]) and be registered in the Unified Registry of Participants (RUP).

The FSU is a survey used to identify poor and vulnerable households based on their incomes, consumption patterns, geographic locations, and housing conditions.

The RUP is a national registry that compiles information collected through the FSU.

Cash transfer for families in rural areas (Bono Vida Mejor, means tested): Paid to households in rural areas with children up to age 18 or pregnant women. Children up to age 5 must comply with regular medical check-ups; children aged 7 to 18 must be enrolled in school and attend at least 80% of classes.

Means test: Must be assessed as living in poverty or extreme poverty based on the Unique Socioeconomic Survey (Ficha Socioeconómica Única [FSU]) and be registered in the Unified Registry of Participants (RUP).

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The FSU is a survey used to identify poor and vulnerable households based on their incomes, consumption patterns, geographic locations, and housing conditions.

The RUP is a national registry that compiles information collected through the FSU.

Disabled child cash transfer (Bono Vida Mejor para Personas con Discapacidad, means tested): Paid to households that include a person with a disability.

Means test: Must be assessed as living in vulnerable conditions based on the Unique Socioeconomic Survey (Ficha Socioeconómica Única [FSU]) and be registered in the Unified Registry of Participants (RUP).

The FSU is a survey used to identify poor and vulnerable households based on their incomes, consumption patterns, geographic locations, and housing conditions.

The RUP is a national registry that compiles information collected through the FSU.

Family Allowance Benefits

Cash transfer for families in urban areas (Bono Vida Mejor, means tested): A basic annual benefit of 3,480 lempiras is paid. An additional 2,520 lempiras a year is paid for one child in primary or secondary education; 3,000 lempiras a year for two or more children in primary or secondary education; 3,000 lempiras a year for one child in tertiary education; and 3,480 lempiras a year for two or more children in tertiary education.

Schedule of payments: The benefit is paid every three or four months, depending on the location (except under special arrangements).

Cash transfer for families in rural areas (Bono Vida Mejor, means tested): A basic annual benefit of 4,020 lempiras is paid. An additional 1,320 lempiras a year is paid for one child up to age 5; 1,500 lempiras a year for two or more children up to age 5; 1,320 lempiras a year for a child in primary or secondary education; 1,500 lempiras a year for two or more children in primary or secondary education; 2,520 lempiras a year for one child in tertiary education; and 3,480 lempiras a year for two or more children in tertiary education.

Schedule of payments: The benefit is paid every three or four months, depending on the location (except under special arrangements).

Disabled child cash transfer (Bono Vida Mejor para Personas con Discapacidad, means tested): 600 lempiras a month is paid to a household living in extreme poverty; 400 lempiras a month to a household living in relative poverty; or 250 lempiras a month to a household not living in poverty.

Administrative Organization

Secretariat of Development and Social Inclusion (SEDIS) (<https://sedis.gob.hn/>) administers the program.