

Table 12.1a

## Benefits granted and management of the non-contributory pension programs in Latin America (December 2018)

Country	Name of the non-contributory program	Year of introduction	Risks Covered	Agency responsible for granting and managing pensions	Monthly amount of the benefit of the non-contributory program	Means-tested or Universal?	Means-Testing Tool	Source of financing
Bolivia	Renta Dignidad or Universal Old Age Income (previously Bonosol)	1997	Poverty in Old Age	The Pension and Insurance Inspection and Control Authority (APS) is responsible for the payment and management of the Renta Dignidad, through the engagement of a management company chosen for such purposes in accordance with the regulations, until the startup of the new state pension manager (Public Manager).	BOB 300 (approx. USD 43)	Universal	Not applicable	The basic pension fund finances the difference required for access, the amount of compensation for contributions and the fraction obtained from the individual account.
Colombia	Pension Contributions Subsidy Program (PSAP)	2003	Poverty in the informal sector (urban and rural); Surrogate mothers; Councilors; Disabled self-employed workers; the unemployed.	Consorcio Colombia Mayor	Subsidy to the pension contribution of individuals who do not have sufficient income to pay 100% of the contribution. This subsidy can be between 70% and 95%. The beneficiary pays in the remaining percentage.	Means-tested	Socio-economic review carried out by Consorcio Colombia Mayor.	Resources of the Pension Solidarity Fund (FSP).
	Programa Colombia Mayor	2003 (previously Social Protection Program for the Elderly (PPSAM))	Poverty or extreme poverty in old age.		COP 85,000 (USD 26)		Beneficiaries Selection System (SISBEN) and personal requirements of each beneficiary (aged).	
<b>Semi-contributory programs</b>								
	Minimum Pension Guarantee (PM) of the Individual Savings with Solidarity System (RAIS)	1993	Poverty in old age; Disability; Survival.	AFP + Office of Pension Bonds of the Ministry of Finance and Public Credit	Anyone who has access to the minimum pension guarantee will receive an amount equivalent to a minimum wage (COP 781,242, approx. USD 240).	Member of RAIS	Not Applicable	Minimum Old Age Pension Guarantee Fund (FGPM), which is financed with 1.5% of the taxable base income of members of the RAIS.
	Family Pension (6)	2014	Poverty in old age	AFP's + Colpensiones	For RAIS it will depend on the balance jointly saved by the affiliate couple, not lower than the minimum salary (COP 781,242, approx. USD 240). For RPM, the monthly salary may only be the minimum salary (COP 781,242, approx. USD 240).	Focused	Beneficiary Selection System (SISBEN, from the Spanish Sistema de Selección de Beneficiarios) only for RPM affiliates, and personal requirements defined by the regulation (age and time of coexistence) for the affiliates.	Affiliates' contributions and/or FGPM for RAIS affiliates. National General Budget for RPM affiliates.
Costa Rica	Non-contributory Pension System	1974	People who are in need of immediate economic protection and who do not qualify in any of the existing tax regimes.	Pensions Division of the Costa Rican Social Security Fund (CCSS)	CRC 78,000 (USD 127.5)	Means-tested	Social Information Sheet (FIS)	20% of the total income of the Fund for Social Development and Family Allowances (FODESAF) + The resources of Law 7972 "Taxes on Liquor and Cigarettes" + The resources of the electronic Lottery of the Board of Social Protection, pursuant to Lottery Law No. 7395 + The transfers from the Ministry of Finance, pursuant to Article 77 of the Workers' Protection Law + Any other source of financing approved for such purposes.
Chile	State Minimum Pension Guarantee	1963	Poverty in Old Age; Disability; Survival	AFPs + Insurance Companies + Superintendency of Pensions + General Treasury of the Republic	If upon retirement or after retired, the affiliate is not able to cover the Guaranteed Minimum Pension with his/her own resources, the State commits itself to pay the remaining part. The GMP is CLP 138,589 (USD 199) for pensioners under 70 years old, CLP 147,376 (USD 217.8) for pensioner between 70 and 75 years old and CLP 157,246 (USD 232.4) for those beyond 75 years old (1).	Universal	Not applicable	Pension Reevaluation Fund. Minimum pensions are financed with public funds, is to say, by the State and ultimately by the entire national community.
	Basic Solidarity Old Age Pension (BSP- Old Age)	2008	Poverty in Old Age	Social Security Institute (IPS, former INP)	CLP 107,304 (USD 154.24) (2)	Means-tested	Technical Means-Tested Instrument (TIF)	Pension Reserve Fund + Release of resources for the reduction of state commitments to the former pension system + Resources from reassignment, efficiency of expenditure and economic growth + Part of the interests from the financial assets of the State Treasury.
	Basic Solidarity Disability Pension (BSP-Disability)		CLP 109,946 (USD 174) (3)					
	Solidarity Old Age Pension Contribution (SPC - Old Age)		CLP 71,444 (USD 110.8) (4)					
	Solidarity Disability Pension Contribution (SPC - Disability)		CLP 101,256 (USD 162) (5)					

Source: FIAP.

See Notes (1) to (6) in the Appendix.

Table 12.1b

## Benefits granted and management of the non-contributory pension programs in Latin America (December 2018)

Country	Name of the non-contributory program	Year of introduction	Risks Covered	Agency responsible for granting and managing pensions	Monthly amount of the non-contributory program	Means-tested or Universal?	Means-Testing Tool	Source of financing
El Salvador	Minimum old-age, disability and survival pension	1998	Poverty in Old Age; Disability; Survival	State + AFPs	Old age: USD 207; Disability: USD 145; Survival: the percentage corresponding to the reference pension of each beneficiary is applied, on the basis of the minimum old-age pension.	Applicable to members of the pension system who meet the requirements stipulated in the Pension Savings System Law (7).	Not Applicable	Resources of the Central Government from general revenue.
	Universal Basic Pension	2009	Poverty in Old Age	State	USD 50	Universal	Granted to the elderly of 70 years of age living in the 100 municipalities with the highest poverty rate in the country.	
Mexico	Guaranteed Minimum Pension	1997	Poverty in Old Age	Mexican Social Security Institute	MXN 2,881.82 (USD 153) (8)	Means-tested	Members of the Pension Savings System (SAR) who fail to accumulate the balance for accessing the amount of the PMG in their individual accounts and meet the 1,250 weeks of contributions.	State resources from general revenues, partial funding with resources from the individual account.
	Program for the well-being of the elderly	2001 (regional); 2007 ("70 years old and older" Program); 2013 (expanded to 65-year-olds); 2019, all adults over 68 years old from all over the country, and adults over 65 years old who live in the municipalities that comprise the following states:	Poverty in Old Age	Ministry of Social Development (SEDESOL)	MXN 637.5 (USD 33.7) (10)			
	Non-contributory Pensions granted by States and Municipalities of the Federation	Between 2001 and 2012 there have been 13 general non-contributory programs of assistance to the elderly.	Poverty in Old Age	State and Local Governments	Varies by type of program, from MXN 500 to MXN 1,500 (USD 26 to USD 79). Others perform transfers in kind (11)	Means-tested	Variable according to the rules of each State or municipality.	
Peru	Minimum Old Age Pension of the Private Pension System (SPP) and the National Pension System (SNP)	SPP: Law No. 27,617 (2002) Law No. 28,991 (2007)	Poverty in Old Age	AFPs + Pension Standardization Office (ONP)	. Law No. 27,617: PEN 579 (USD 175) (12)(a) . Law No. 28,991: PEN 575 (USD 173) (12)(b)	Means-tested	SPP: Law No. 27,617 and Law No. 28,991. Pension calculated in the SPP on the basis of the amount accumulated in the individual account and the Recognition Bond must be less than the annualized Minimum Pension granted by the SNP. SNP: Comply with 20 full years of effective contributions.	Members of the AFPs: Resources of the Individually Funded Accounts + Recognition Bond. When these resources have been exhausted, the State provides a Complementary Minimum Pension Bond; Members of the ONP: contributions by the State and of the government guarantee.
	Pension 65	2011	Extreme Poverty in Old Age	Ministry of Development and Social Inclusion (MIDIS)	PEN 125 (USD 38) (13)	Means-tested	Household Means-testing System (SISFOH)	Resources from the Central Government, shared between the Ministry of Development and Social Inclusion (MIDIS) and the Ministry of Economy and Finance (MEF).

Source: FIAP.

See Notes (7) to (13) in the Appendix.

Table 12.1c

## Benefits granted and management of the non-contributory pension programs in Latin America (December 2018)

Country	Name of the non-contributory program	Year of introduction	Risks Covered	Agency responsible for granting and managing pensions	Monthly amount of the benefit of the non-contributory program	Means-tested or Universal?	Means-Testing Tool	Source of financing
The Dominican Republic (*)	Minimum Guaranteed Pension of the Contributory System (PMG), which is funded by the Social Solidarity Fund (FSS) that protects members of the Contributory Scheme (dependent workers)	Not applicable (14)	Poverty in Old Age	The AFP Reservas (public) manages the Social Solidarity Fund (FSS). The payment of the pension at retirement will be done by the AFP to which the member is affiliated.	Not applicable (14)	Universal	Not applicable	In the case of salaried workers enrolled in the contributory system, the system is responsible for the PMG, from the regular monthly contributions that make up the Social Solidarity Fund (FSS), which is financed with 0,4% of the taxable salary of workers (paid in by the employer). The administration of this fund is subject to the same regulations and limits that funds of individual accounts.
	Solidarity Pension of the Subsidized System	Not applicable (15)	Poverty in old age; Poverty among unemployed single mothers; Severe disability	Not applicable (15)	Not applicable (15)	Means-tested	Not applicable (15)	
Uruguay	Non-contributory Old Age and Disability Pensions Program (NCP)	1919	Poverty in old age; Disability	Social Security Bank (BPS)	UYU 11.160 (USD 299) (16)	Means-tested	Family enrollment exam entrusted to the Social Security Bank (BPS). Universal for old age and disability pensions (for cases of common disability).	State resources from general revenue.

Source: FIAP.

See Notes (14) to (16) in the Appendix.

(\*) Dominican Republic: provisional information.

**Table 12.1a**

- (1) Chile: Amounts corresponding to the minimum pension with state guarantee for old-age or disability pension modes, of the three established age brackets (less than 70, between 70 and 74, and 75 or more), from 01/12/2018. Source: <https://www.spensiones.cl/portal/institucional/594/w3-propertyvalue-10143.html>. The exchange rate as of 31.12.2018: 1 USD = CLP 695.69.
- (2) Chile: Amount corresponds to the average benefit of the PBS-old age, understood to be the total amount paid for this benefit and the total number of beneficiaries in the month of December 2018. Source: <https://www.spensiones.cl/apps/centroEstadisticas/paginaCuadrosCCEE.php?menu=sp&menuN1=nbenmpagm&menuN2=NOID>. The exchange rate as of 31.12.2018, 1 USD = CLP 695.69
- (3) Chile: Amount corresponds to the average benefit of the PBS-Old Age, understood to be the total amount paid for this benefit and the total number of beneficiaries in the month of December 2018. Source: <https://www.spensiones.cl/apps/centroEstadisticas/paginaCuadrosCCEE.php?menu=sp&menuN1=nbenmpagm&menuN2=NOID>. The exchange rate as of 31.12.2018, 1 USD = CLP 695.69.
- (4) Chile: Amount corresponds to the average benefit of the PBS-Old Age, understood to be the total amount paid for this benefit and the total number of beneficiaries in the month of December 2017. Source: <https://www.spensiones.cl/apps/centroEstadisticas/paginaCuadrosCCEE.php?menu=sp&menuN1=nbenmpagm&menuN2=NOID>. The exchange rate as of 31.12.2018, 1 USD = CLP 695.69.
- (5) Chile: Amount corresponds to the average benefit of the PBS-Old Age, understood to be the total amount paid for this benefit and the total number of beneficiaries in the month of December 2018. Source: <https://www.spensiones.cl/apps/centroEstadisticas/paginaCuadrosCCEE.php?menu=sp&menuN1=nbenmpagm&menuN2=NOID>. The exchange rate as of 31.12.2018, 1 USD = CLP 695.69.
- (6) Colombia: Law 1580 of 2012, regulated by Decree 288 of 2014, enacted the Law that allow married or unmarried couples to join their contribution payments in order to obtain a pension for the family and receive the so-called family pension.

**Table 12.1b**

- (7) El Salvador: The requirements of the Pension Savings System Law for accessing the minimum old-age pension are: (i) Male and sixty years of age or older, or female and fifty-five or more; and (ii) Have completed a minimum of twenty-five years of contributions recorded at the time that the pension is accrued or thereafter, in the case of retired members who continue contributing. The minimum guaranteed state disability pension will be effective when non-retired members register a minimum number of contributions, in any of the following cases: (i) Three years of contributions recorded during the five years preceding the date on which disability was declared by a first ruling; (ii) Contributing at the time he was declared disabled due to a common accident, and as long as he had contributed for at least six months in the last twelve months and that the accident occurred after his enrollment; (iii) Has a minimum of ten years of effective contributions at the time of his disability, or thereafter in the case of a disability pensioner who carries on contributing. Finally, in order for survival pension beneficiaries to be entitled to the minimum guaranteed state pension, the originating member must have met any of the following requirements: (i) Three years of contributions in the five years preceding the date of death; or (ii) Contributing at the time of his death, in the case of death due to a common accident, and as long as he had contributed for at least six months in the last 12 months, and that the accident occurred after his enrollment; or (iii) Have at least 10 years of effective contributions on the date of his death.
- (8) Mexico: This amount corresponds to the value of a Legal General Minimum Wage on the promulgation of the Social Security Law (LSS) reformed in 1997 and adjusted for inflation annually in the month of February of each year (Articles 170 and 172 of the LSS). The resulting amount must be increased by 11% pursuant to the amendment of the fourteenth transitional article of the LSS dated December 20, 2001 and January 5, 2004. The exchange rate on 31.12.2018: 1 USD = MXN 19.6512. is used for converting this amount to USD.
- (9) Mexico: This amount corresponds to the monthly monetary benefit for the elderly, stipulated in the regulations. The exchange rate on 31.12.2019: 1 USD = MXN 18,8642. is used for converting this amount to USD.
- (10) Mexico: This amount corresponds to the monthly monetary benefit for the elderly, stipulated in the regulations. the exchange rate on 31.12.2019: 1 USD = MXN 18,8642. is used for converting this amount to USD.
- (11) Mexico: The Municipal and State programs are financed with regional resources, without the Federal Government guarantee funds. The full catalog may vary due to regional administrative changes. For further information see Rofman, Apella, and Vezza (2013) Beyond Contributory Pensions and CONEVAL Inventory of Programs and State Social Development Shares ([www.coneval.gob.mx](http://www.coneval.gob.mx)). The exchange rate on 31.12.2019: 1 USD = MXN 18,8642. is used for converting these amounts to USD.
- (12) Peru: Amount corresponds to the minimum average pension to December 2014, calculated by the Superintendency of Banking, Insurance and AFPs (SBS). The exchange rate on 31.12.2018: 1 USD = PEN 3.379. is used for converting this amount to USD. (a) The minimum pension referred to is the one created by Law No. 27.617 of 2002, representing a guarantee provided by the Peruvian government to those workers who meet the age and contribution requirements, but fail to access a pension that exceeds the established minimum. Individuals who meet the following requirements will be able to access a minimum pension: (i) Those born before 31/12/1945; (ii) Are at least 65 years old and are not receiving a retirement pension at the time of their application lodged with the AFP; (iii) Have paid in a minimum of twenty (20) full years of effective contributions, to the National Pension System (SNP) or the Private Pension System (SPP); and (iv) That the aforementioned contributions have been calculated on the basis of the Minimum Living Wage on each occasion. (b) The minimum pension referred to is the one created by Law No. 28.991 of 2007, which is a State guarantee for those workers who meet the contribution and age requirements, but fail to access a pension that exceeds the minimum established by the national pension system (SNP). Individuals meeting the following requirements can access a minimum pension: (i) Were enrolled in the SNP at the time of the creation of the SPP; (ii) Are at least 65 years old when submitting the application; (iii) Have paid in at least 20 full years of contributions to the SPP and the SNP; and (iv) The aforementioned contributions have been calculated on the basis of the Minimum Living Wage on each occasion.
- (13) Peru: This amount is the monthly monetary benefit for the elderly over 65 years of age who lack the basic conditions for subsistence, pursuant to the regulations. Source: <http://www.pension65.gob.pe/quienes-somos/que-es-pension-65/>. The exchange rate on 31.12.2018: 1 USD = PEN 3.379 is used for converting this amount to USD.

**Table 12.1c**

- (14) Dominican Republic: The Minimum Guaranteed Pension (PMG) of the contributory system, according to the regulations, is equivalent to 100% of the lowest statutory minimum wage. However, PMG payments have not yet been disbursed since the contributory system has only just begun.
- (15) Dominican Republic: According to Article 65 of law 87-01, the Solidarity Pension of the subsidized system is equivalent to 60% of the minimum public wage. However, this pension has not yet been paid, since the subsidized system has not been implemented.
- (16) Uruguay: This amount is the average monthly benefit of the Non-contributory Pensions (PNC) to December 2016. The exchange rate on 31.12.2018: 1 USD = UYU 32.39 is used for converting this amount to USD.