
NATIONAL REPORT FOR PORTUGAL
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1. PORTUGAL, ECONOMIC AND FINANCIAL STRUCTURE

Portugal is a country consisting of a continental part (88,944 Km²), with frontiers to the east and north with Spain (1,215 Km), and by an insular part, the archipelago of the Azores (2,247 Km²) and Madeira (794 Km²).

The territory of Macau situated at the south of China near Hong Kong is also part of the national territory of Portugal.

Portugal has a population of about 10,000,000 inhabitants (48% men and 52% women). The distribution by age of the population is as follows:

Ages	% of total
up to 14	20.9
15-29	24.9
30-49	25.0
50-64	16.1
65 +	13.1

There are only two towns with more than 1,000,000 inhabitants: Lisbon, the capital, and Oporto, situated in the north of Portugal.

The working population is about 48% of the total, and the rate of unemployment is about 5%.

The national currency is the escudo(\$), and the exchange rates at the end of 1990 and 1991 were as follows:

	31.12.91	31.12.90	Var %
US\$	134.18	133.60	0.437
DM	88.31	89.50	-1.332
FRF	25.85	26.24	-1.475
GB£	250.91	258.10	-2.569
ECU	179.31	183.20	-1.845

Emigration is by tradition high, and there may be as many as 4,000,000 Portuguese outside the country. Portuguese are resident in many countries, principally France and South Africa.

Strong ties bind emigrant workers to Portugal, and they provide substantial remittances of foreign currency and contribute to the high level of savings in the banking institutions.

The propensity of the Portuguese to save is very strong, as seen by the savings ratios (in % of disposable income) shown below:

	1980	1985	1989
/	25.8	28.4	22.3

However, with the exception of inflation which has been at 11.3% in 1991, all the other economic indices are similar to the European average.

2. WAGES

The minimum monthly wages must be reviewed annually according to legal criteria, and in 1991 were 40,100\$.

3. THE PORTUGUESE SOCIAL SECURITY SYSTEM (information extracted from the publication "The Portuguese Social Security Systems")

3.1 ORGANISATION AND PARTICIPATION

The government department which supervises the social security system is the Ministry of Employment and Social Security.

The administrative structure of the system comprises at the national level the Institute of Financial Administration, the National Pensions Centre, and the National Centre for Protection against Occupational Risks.

At the regional level the system works through Regional Centres.

The administration of compensation for industrial injuries continues to be dealt with by insurance companies.

The National Health Service is universal and general, without prejudice to auxiliary health systems, notably those of public employees and bank workers.

3.2 FINANCING

The main source of finance for the Social Security system is the contributions of workers and employers.

The social action programme is financed by transfers from state funds.

At present the monthly contributions for the Social Security system (single social tax) are as follows:

For workers and employers, to finance benefits for sickness, maternity, invalidity, old age, death, family allowances and unemployment:

Workers: 11% of salaries (including everything that forms income from work, notably supplementary work and productivity bonuses);

Employers: 24.5% of salaries (including 0.5% for occupational sickness risks)

In the voluntary social insurance system contributions payable by the insured are calculated on the basis of contractual salaries (which, under certain conditions, can be modified by the insured) and the rates vary according to the risks covered:

Invalidity, old age and death	16.0%
Sickness and maternity	3.5%
Occupational illness	0.5%
Family Allowances	3.0%

For industrial injuries the insurance premiums are paid by the employers, and their amounts vary according to the occupation and the degree of risk.

In applying the constitutional principle that the National Health Service is free at the point of delivery, healthcare is fundamentally financed by the state budget.

However, this does not relieve users of certain proportional payments or participation in the costs of certain benefits.

3.3 GENERAL SYSTEM OF SOCIAL SECURITY

Health Care

Sickness benefits in cash

The insured must have completed 6 calendar months of work, consecutive or not, with payment of contributions.

There is a waiting period of 3 days for each period off work because of sickness.

There is a maximum duration of 1095 days after which the case becomes one of invalidity.

The amount of daily benefit is equal to 65% of the reference income, defined by $R/180$, where R is the total income recorded in the 6 months which precede the second month prior to the beginning of incapacity.

Maternity Benefits

Family allowances

Age limit for children and other dependents, not handicapped, for the granting of family allowances:

- 15 years;
- 18 years when they are attending a basic educational establishment;
- 22 years when they are attending a secondary educational establishment;
- 25 years when they are attending a higher educational establishment.

The amount of family allowance is 2,000\$ a month for each child. However, the monthly amount for each child after the second is 3,000\$ when the monthly income of the family is less than 1.5 times the minimum income guaranteed to the generality of workers.

There are other family benefits for the contingencies:

Maternity grant

Nursing grant

Marriage grant

Funeral grant

Supplementary grant for handicapped children or young people

Grant for those who require assistance from a third person

3.4 INVALIDITY BENEFITS

An employee is defined as invalid who, before reaching retirement age, finds himself or herself by reason of sickness or accident (not covered by the legislation on industrial injuries and occupational illness) definitely incapable of exercising his occupation in such a way that he could obtain more than one third of the income corresponding to his normal activity.

The reduction of the ability to work is considered definite if it can be presumed that, without appropriate professional rehabilitative treatment, the worker does not see his state of health improve to an appreciable extent in the three years following and if, in consequence, he cannot obtain more than 50% of the income corresponding to the normal activity of his occupation.

The worker who has reached the maximum limit of time fixed for the receipt of sickness benefit (1095 days), can pass straight to the system for protection in the case of invalidity, after the existence of permanent incapacity has been confirmed.

The delay for a period of 60 months of contributions is a condition of receiving invalidity pension.

In the general system the monthly amount of pension correspond to 2.2% of the average income for each calendar year of employment with payment of contributions, with a maximum of 80% and a minimum of 30% of this income.

The average income is calculated according to the formula $S/60$ where S represents the total income in the five calendar years to which correspond the highest income of the ten last years with payment of contributions.

The minimum monthly pension is 20,000\$.

A pension supplement is granted to those particularly disabled suffering from a permanent incapacity which requires the constant assistance of a third person. The monthly amount is 7,300\$.

If the pensioner has a dependant spouse the pension is increased by 3,200\$.

During the months of July and December (Christmas bonus) the pensioner has the right to receive an additional benefit of an amount equal to the normal monthly pension entitlement.

3.5 OLD AGE BENEFIT

The normal age for retirement is 65 years for men and 62 for women.

The monthly amount of pension corresponds to 2.2% of the average income for each calendar year of work for which contributions have been paid, with a maximum of 80% and a minimum of 30% of this income.

The average income is calculated according to the formula $S/60$ already indicated for invalidity.

The minimum monthly pension is 20,000\$.

A pension supplement is granted to those particularly disabled suffering from a permanent incapacity which requires the constant assistance of a third person. The monthly amount is 7,300\$.

If the pensioner has a dependant spouse the pension is increased by 3,200\$.

During the months of July and December (Christmas bonus) the pensioner has the right to receive an additional benefit of an amount equal to the normal monthly pension entitlement.

3.6 SURVIVORS BENEFITS

On the death of the assured and following the loss of income from work benefits are paid to survivors: spouse, former spouses, descendants (including posthumous children, adopted children and step-children) and ancestors of the insured.

For the spouse and former spouses there is a condition for duration of marriage of one year, except in the case where there are children of the marriage (including posthumous children) or the death is as a result of accident or of sickness acquired or manifest after the marriage.

Children, including posthumous and adopted children, have the right to a pension:

up to the age of 18 years;

beyond the age of 18 years so long as they do not engage in an activity which renders them subject to the system of compulsory social insurance:

up to the age of 25 years if they attend an educational course defined as complementary or middle or higher;

up to the age of 27 years if they attend a course for a master's or post-graduate degree or if they are preparing a thesis for a licenciateship or a doctorate or also if they are undergoing a period of training at the end of a course necessary to obtain a diploma;

without age limit, if they are handicapped having a right to family allowances.

The amount of benefit is determined by the application of the percentages shown below to the amount of the sickness benefit or of the old age pension which the insured was entitled to, or would have been entitled to, at the date of death:

60% or 70% depending on whether there is one spouse (or former spouse) or more than one;

20%, 30% or 40% for descendents, according to whether there is one, two or more than two, when there exists also a spouse or former spouse; double these percentages if there is no spouse or former spouse;

30%, 50% or 80% for ancestors, depending on whether there is one, two or three (or more).

For the spouse or former spouse, when these are aged less than 35, the pension is limited to a period of 5 years. This period will be extended as long as there are descendents having the right to a pension.

If the spouse or former spouse is (are) more than 35 years old, or is totally and permanently incapacitated, there is no limit to the period for which the pension is paid.

The Christmas bonus and the "14th month" are also due.

3.7 DEATH GRANT

This is compensation for the increased charges that result from the death of the insured, in order to ease the reorganisation of family life.

The death benefit is an amount equal to 6 times the amount of the monthly reference income, which corresponds to 1/24 of the total income for the two calendar years with the highest income in the course of the last 5 years, and cannot be less than the minimum income guaranteed to the generality of workers.

4. BENEFITS FOR INDUSTRIAL ACCIDENTS AND OCCUPATIONAL ILLNESS

Compensation for industrial injury is always administered by insurance companies.

Industrial injuries are considered to be accidents taking place on the site and during the period of work, producing directly or indirectly a bodily injury, a functional disturbance or a sickness leading to death or reduction of the capacity for work or profit.

Also included as industrial injuries are those that take place:

outside the place or the period of work, but taking place during the execution of tasks that the employer requires or authorises;

during the journey to the place of work or the return therefrom, in the case where the means of transport is provided by the employer, or when the accident is a consequence of a particular danger in the habitual journey or in other circumstances which aggravate the risk of this journey (accident "in itinere");

during the execution of any task undertaken spontaneously, which could result in economic advantage to the employer.

In the case of industrial injury the compensation is the responsibility of the employers who must transfer the risk to insurance companies.

Compensation for occupational illness is the sole responsibility of the National Insurance Fund for Occupational illness.

There are the following benefits:

in kind;

all the benefits necessary and sufficient for the re-establishment of the state of health and the capacity for work or profit of the victim:

medical and surgical care, general or specialised, including all the diagnostic facilities or necessary treatments;

pharmaceutical assistance;

infirmary;

hospitalisation and thermal cures;

provision of prosthetic and orthopaedic equipment and its renewal or repair;

services of recuperation, occupational rehabilitation or occupational training;

reimbursement of travel and hotel costs necessary for clinical observation or treatment or for attendance at judicial hearings.

in cash;

for the calculation of benefits in cash a basic income is considered which varies depending on whether the case is one of industrial accident or of occupational illness.

In the case of incapacity the benefit depends on the degree of incapacity, viz:

temporary and total;

temporary and partial; or

permanent, and in this case:

total for any occupation;

total for the normal occupation;

or partial

In case of death, if the accident or the occupational illness has caused the death of the worker, the members of the family of the victim have the right to benefits with the following conditions:

widow: 30% of the basic income up to the age of 65 years, and 40% beyond that age. In the case of remarriage she would have the right to receive an amount corresponding to three times the annual pension.

widower: 30% of the basic income for so long as he remains a widower.

children: until they attain the age of 18, or 21 or 24 years if they attend successfully an educational establishment described respectively as middle or higher, or without age limit if they are afflicted with a physical or mental illness rendering them incapable of working:

20% of the basic income if there is only one;

40% if there are two;

50% if there are three or more;

double these amounts, up to a limit of 80% of the salary of the victims for orphans.