



## AMENDMENTS TO SOCIAL SECURITY SYSTEM IN NICARAGUA

**A** resolution issued by the Administrative Board of the Nicaraguan Social Security Institute (INSS in Spanish), effective February 1, 2019, established several amendments to the social security system, as described below:

**1. Integral Regime:** The amendment orders an increase to employers' and employees' contributions to INSS. Before this amendment, employers' contribution was 19%, regardless of the number of employees. From now on, the increase factor is related with the number of employees, whereas employers that have more than 50 employees will increase their contribution to 22.5% and those who have less than 50 employees, will increase their contribution to 21%. Employees' contributions, will increase to 7%. On the other hand, the State's contribution will increase from 0.25% to 1.75%

**2. Disability, Old Age, Death and Professional Risks Regime:** The amendment mandates a raise of the same contributions described above. Employers contribution was 13%, regardless of number of employees. Currently, employers who have more than 50 employees will contribute of 16.5% and those who have less than 50 employees will contribute 5.5%. On the other hand, employees' contribution increased to 5%.

**3. Affiliates' contributions not subject to maximum amount:** There are no limits to salary amounts subject to social security contributions.

**4. Optional Integral Regime and Optional Disability, Old Age, Death and Professional Risks Regime:** Independent workers affiliated to INSS will increase their contributions from 18.25% to 22.5%. Under the Optional Disability, Old Age, Death Regime, contributions will increase from 10% to 14%.

**5. Changes to pension's calculation:** Calculation of disability, old age and permanent total handicap pensions increased the number of weeks contributed to the social system from 250 to 375. Amounts payable to retirees were reduced, as well as the payable pensions to disabled spouses, minor children and elderly dependents.

Maximum pension still remains at U\$1,500.00. Nonetheless, however, pursuant this resolution, pension amounts will be reviewed on November 30th of each year.

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