

IGP Country Profile

Argentina





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Customary employee benefits

Death benefits

Group life insurance is mandatory by law and provides a benefit of ARS 20,000. Every employee or laborer is entitled to this benefit. The monthly premium is paid by the employer. Compulsory group life insurance provides only death benefits.

Because the amount provided by the compulsory coverage is low, employers often provide voluntary life insurance plans.

The customary practice is for companies to purchase group life insurance for their employees with coverage in case of death, which ranges between 18 - 24 and even 30 times the amount of monthly salary.

Normally, riders for accidental death, partial losses due to accidents, and total and permanent disability are also included.

It is customary for companies to assume all or part of the cost of such benefits.

Sample plan

Death benefit:

- Multiple of 24 Monthly Salaries
- Multiple of 12 Monthly Salaries (Optional)
- TPD Benefit: Equal to the Death Benefit
- AD&D Benefit: Equal to the Death Benefit

Optional riders:

- Transplants
- Terminal Disease
- Serious illness

Spouse's coverage:

- Equal to 50% or 100% of Employee's Death Benefit (Death + AD&D + TPD by accident)

Disability benefits

Disability pension:

Normally, riders for accidental death, partial losses due to accidents, and total and permanent disability are also included as part of a group life plan.

It is customary for companies to assume all or part of the cost of such benefits.

Sample plan

Death benefit:

- Multiple of 24 Monthly Salaries
- Multiple of 12 Monthly Salaries (Optional)
- TPD Benefit: Equal to the Death Benefit
- AD&D Benefit: Equal to the Death Benefit

Optional riders:

- Transplants
- Terminal Disease
- Serious illness

Spouse's coverage:

- Equal to 50% or 100% of Employee's Death Benefit (Death + AD&D + TPD by accident)

Medical benefits

Argentina's public health system is made up of three main sectors: public, social security, and private.

The Public Sector provides free or subsidized health services to about half of the population, including foreigners. These services include public hospitals, primary health care, medical care, dental care, palliative care, rehabilitation, prosthetics, and medical transport. There is a charge for prescriptions.

Social security (Obras Sociales)

Obras Sociales are health insurance schemes managed by trade unions, mostly blue-collar workers, and are the most common type of health insurance in Argentina. They are financed by contributions from employers and employees. Workers have the right to choose an Obras Social regardless of their union affiliation.

Obras Sociales provide health care either through their own health facilities or by contracting with providers in the private sector. They can vary widely depending on the region or union involved. Obras sociales must provide preventative, diagnostic, medical and dental treatment, and maternity, etc. Pre-existing medical conditions cannot be excluded. The patient is responsible for paying any difference between the cost of the treatment and the fixed fee.

Private sector

Private health plans must provide the same mandatory coverage as the Obras Sociales and can be option for those seeking to avoid the long wait times for appointments and treatments in the public sector.

Retirement benefits

Argentina has a fully developed system of private pensions.

In March of 1987, the National Superintendency of Insurance passed a resolution authorizing the establishment of insurance companies for the purpose of selling retirement insurance.

Companies offering such retirement insurance (annuities) may not operate in any other line of business, and they must comply with the following regulations:

- The minimum capital requirement must be 4% of mathematical reserves.
- The value of the assets must either equal or exceed the value of the liabilities. Balance sheets must be submitted quarterly to the controlling authority. Easily realizable investments and assets should be sufficient to cover any possible payment on demand.
- A report showing the condition of the investments must be issued monthly.
- In addition to enforcing the above regulations, the Superintendency must approve all rates and policy texts.

For contracts and tariffs, the following will apply:

- Reserves, purchased annuities, cash surrender values, and premiums will be adjusted at a rate no higher than the yield on investments made by the insurance company. The minimum rate of adjustment will be equal to the yield on a group of investments, which will be established periodically by the insurance authorities.
- Every six months, at least, the insurance company will advise each insured of the value of his or her plan, the rate of return, administrative charges, etc.
- Plans will provide for the payment of the total cash surrender value either upon the insured's demand any time before payment of the annuity begins, or in case of the death of the insured, before the established retirement date.
- This law was intended to encourage the development of funded pensions to complement the pay-as-you-go benefits provided by Social Security.

Legislative news

Decree 274/2024 Contributory pension benefits linked to inflation

To protect pensioners against inflation, the government adopted Decree 274/2024, which links future benefit adjustments under the country's contributory pension program to inflation starting in July 2024.

National Social Security Administration (ANSES). will adjust pensions every month based on the national consumer price index from two months prior. In the meantime, pensions increased by 12.5 percent in April with additional increases in May and June based on the higher of the old or new adjustment formulas.

Decree 274/2024 Changes to social security employee contribution limits

Effective June 1, 2024, the minimum and maximum contribution limits are set to a monthly salary of ARS 69,694.36 and ARS 2,265,033.81, respectively. The minimum and maximum amounts apply in relation to the employee portion of social security contributions, which combined amount to 17%.

The 17% is divided as follows:

Pension fund	11%
Healthcare	3%
Social Services	3%

With Decree 274/2024, the minimum and maximum contribution limits will be adjusted monthly beginning July 2024 due to inflation, which means the employer's calculation of social security contributions will vary monthly.

Previously, these amounts were adjusted quarterly.

There is no cap on employer contributions.

The employer contribution is 24%. The rate is 26.4% for companies whose main activity consists of providing services or trade and have annual sales over a certain threshold that is updated annually.

In Argentina, employers have an exemption from paying social security contributions on the first ARS 7,003.68 per month per employee.

Trends

Supplementary benefits

In addition to the statutory or mandatory benefits, skilled employees are also looking for the following benefits:

Health and Wellness Benefits:

- Comprehensive health insurance plan with coverage for family members
- Contemporary health benefits
- Mental health support

Additional benefits that include:

- Transportation allowances
- Meal vouchers
- Gym memberships
- Education stipends
- Flexible working schedules
- Profit-sharing
- Flexible work schedules and ability to work from home

Typical employee benefits plans

Credit card company - 468 employees

Death benefit: an amount equal to 13 times monthly salary

Maximum: ARS 3,000,000

Accidental death & dismemberment: an amount equal to 13 times monthly salary, payable in addition to the principal amount of life insurance

Maximum: ARS 3,000,000

Dismemberment: an amount up to the death benefit, scaled according to the degree of disability.

Permanent & total disability: a lump-sum benefit equal to the principal amount of life insurance

Spouse's coverage: n/a

Chemical company - 900 employees

Death benefit: an amount equal to 24 times monthly salary

Maximum: ARS 6,000,000

Accidental death & dismemberment: an amount equal to 24 times monthly salary, payable in addition to the principal amount of life insurance

Maximum: ARS 6,000,000

Dismemberment: an amount up to the death benefit, scaled according to the degree of disability

Permanent & total disability: a lump-sum benefit equal to the principal amount of life insurance

Spouse's coverage: a benefit equal to 50% of the employee's insured amount

Plastics manufacturer - 349 employees

Optional plan:

Death benefit: an amount equal to 12 - 24 times monthly salary

Maximum: ARS 5,000,000

Accidental death & dismemberment: an amount equal to 12 - 24 times monthly salary, payable in addition to the principal amount of life insurance

Maximum: ARS 5,000,000

Dismemberment: an amount up to the death benefit, scaled according to the degree of disability.

Permanent & total disability: a lump-sum benefit equal to the principal amount of life insurance

Spouse's coverage: n/a

Company-paid plan:

Death benefit: an amount equal to 13 times monthly salary

Maximum: ARS 5,000,000

Accidental death & dismemberment: an amount equal to 13 times monthly salary, payable in addition to the principal amount of life insurance

Maximum: ARS 5,000,000

Dismemberment: an amount up to the death benefit, scaled according to the degree of disability

Permanent & total disability: a lump-sum benefit equal to the principal amount of life insurance

Spouse's coverage: n/a

Adhesives, films and tapes manufacturer - 392 employees

Death benefit: an amount equal to 24 times monthly salary

Maximum: ARS 3,000,000

Accidental death & dismemberment: an amount equal to 24 times monthly salary, payable in addition to the principal amount of life insurance

Maximum: ARS 3,000,000

Dismemberment: an amount up to the death benefit, scaled according to the degree of disability

Permanent & total disability: a lump-sum benefit equal to the principal amount of life insurance

Spouse's coverage: a benefit equal to 50% of the employee's minimum benefit

Distributor of automotive oil - 392

employees

Death benefit: an amount equal to 24 times monthly salary

Maximum: ARS 4,000,000

Accidental death & dismemberment: an amount equal to the death benefit.

Maximum: ARS 4,000,000

Dismemberment: an amount up to the death benefit, scaled according to the degree of disability.

Permanent & total disability: a lump-sum benefit equal to the principal amount of life insurance

Spouse's coverage: N/A

Laboratory - 311 employees

Death benefit: an amount equal to 40 times monthly salary

Maximum: ARS 6,000,000

Accidental death & dismemberment: an amount equal to 40 times monthly salary, payable in addition to the principal amount of life insurance

Maximum: ARS 6,000,000

Dismemberment: an amount up to the death benefit, scaled according to the degree of disability.

Permanent & total disability: a lump-sum benefit equal to the principal amount of life insurance

Spouse's coverage: N/A

Useful links

Demographic information and macro-economic indicators

[CIA World Factbook](#) (please select the country to review)

[World Bank Group](#) (please select the country to review)

Argentinean Ministry of Work, Employment & Social Security

<https://www.argentina.gob.ar/capital-humano/trabajo>

Argentinean National Administration of Social Security

www.anses.gov.ar

Argentinean Ministry of Economy

www.mecon.gov.ar

More information on SMG Life Seguros de Vida S.A.

Your Local Link to IGP in Argentina

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