

## COUNTRY NOTE

Database on Social Expenditure ([Social Expenditure Database \(SOCX\) | OECD](#))  
OECD - Social Policy Division - Directorate of Employment, Labour and Social Affairs

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## CHILE

### *Nomenclature*

**SENCE:** Servicio Nacional de Capacitación y Empleo (Training and Employment National Service)

**OTIC:** Organismo Técnico Intermedio de Capacitación

**OTEC:** Any Technical Training Organism approved by SENCE

**OMIL:** Oficinas Municipales de Información y/o Intermediación Laboral (Information and Labor Intermediation Municipal Offices)

**SII:** Servicio de Impuestos Internos (Internal Revenue Service)

**IMM:** Ingreso Mínimo Mensual (Monthly Minimum Income; Currently \$350.000 Chilean Pesos)

**UF:** Unidad de Fomento (Daily price change unit, based on monthly CPI variation).  
[https://si3.bcentral.cl/Siete/en/Siete/Cuadro/CAP\\_PRECIOS/MN\\_CAP\\_PRECIOS/UF\\_IVP\\_DIARIO/UF\\_IVP\\_DIARIO](https://si3.bcentral.cl/Siete/en/Siete/Cuadro/CAP_PRECIOS/MN_CAP_PRECIOS/UF_IVP_DIARIO/UF_IVP_DIARIO)

**UTM:** Unidad Tributaria Mensual (Monthly Tax Unit)  
[https://si3.bcentral.cl/Siete/en/Siete/Cuadro/CAP\\_PRECIOS/MN\\_CAP\\_PRECIOS/UF\\_IVP\\_UTM/UF\\_IVP\\_UTM](https://si3.bcentral.cl/Siete/en/Siete/Cuadro/CAP_PRECIOS/MN_CAP_PRECIOS/UF_IVP_UTM/UF_IVP_UTM)

**NTIC:** Nuevas Tecnologías de Información y Comunicación

**IPC:** Índice de Precios al Consumidor (Consumer Price Index)

**Companies taxed in the first category of the Income Tax Law:** Commercial, industrial, mining, service, etc.

**First Category Tax:** This tax is charged to commercial, industrial, mining, and service companies, among others. The rate is applied on the profits earned by companies or their returns, when companies declared its real income in its final balance sheets. The exception are those taxpayer companies from the agricultural, mining and transportation sectors which pay their taxes based on the alleged income, if they fulfill the requirements under the Income Tax Law ([https://www.sii.cl/preguntas\\_frecuentes/renta/001\\_002\\_4708.htm](https://www.sii.cl/preguntas_frecuentes/renta/001_002_4708.htm)).

**SUSESO:** Superintendencia de Seguridad Social (Social Security Superintendence).

**IPS:** Instituto de Previsión Social, Ex INP Instituto de Normalización Previsional. (Social Pension Institute (ex-INP Pension Normalization Institute))

### *Monetary units*

Social spending is expressed in millions of Chilean Pesos (CLP).

### *General notes*

Data are provisional.

Financial year starting January 1<sup>st</sup>

### *Sources:*

Data supplied by: Ministerio de Hacienda

**2000 onwards**            4. Health: OECD Health Statistics ([OECD Health Statistics](#) | [OECD](#))

### *Break in series:*

Generally there is a break in the series due to revisions of the data in 2000 and 2005, this makes data not comparable with previous years.

In addition data for Active labour market programmes since 2008 are not comparable with previous years.

The “Programa de Certificación de Competencias” (Skills Certification Program) has a break in the series, due to the fact that the evaluation and training of individuals have been funded through the national scholarship program for the unemployed and through tax franchise for those employed, since 2003. However, since 2009 the "Programa de Certificación de Competencias" begins to work again.

The “Programa de Reconversión Laboral” Retraining Program continues to run through the various options of the National Scholarship Program, until 2018. However, since 2019 the "Programa de Reconversión Laboral" begins to work again.

The Youth Labor Training Program known as "Chile Joven" currently runs through the “Programa de Jóvenes Bicentenario” (Bicentennial Youth Program).

The series of Assistance Pensions paid by the respective Pension fund and administrated by the SUSESO, finished in June 2008, being replaced by the Basic Solidary Pensions which are now dependant of the Pensions Superintendence.

The series Other cash benefits (Family) includes “Programa Ingreso Familiar de Emergencia” (Emergency Family Income program). It consisted of financial aid to support the households most affected by the health and economic crisis caused by COVID-19 during 2020 and 2021.

The series Direct Job Creation (Active labour market programmes), includes “Subsidio al Empleo” (Employment subsidy). It is an incentive for workers, previously unemployed, to be formally employed, granting them a subsidy for the new employment relationship that is created during 2021.

The serie Other cash benefits (Other social policy areas) includes “Bono clase media” (Middle Class Grant). It is a non-reimbursable financial aid, which is delivered only once to individual workers, businesspersons, who have lost at least 20% of their income because of the health emergency (COVID-19) during 2020 and 2021.

The serie Pension (Old age) includes “Pensión Garantizada Universal” (PGU), created in the year 2022. It’s a benefit in money provided and financed 100% by the State. The PGU benefits all people over 65 years of age who do not belong to the richest 10% of the country's population and not reach a minimum pension. It’s provided to older people who receive a pension, even if they continue to work. This amount is added to the self-financed pension with the person's pension savings.

*Secretariat estimates*

## CHILE

| Code           | Title of the program                       | Description of the program and attached notes  |
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| <b>1.</b>      | <b>OLD AGE</b>                             |  |
| 152.10.1.1.1.0 | Pension schemes (1)                        | Monthly benefit paid to members of the Defined Contributions pension scheme (managed by IPS), men and women are eligible at 65 and 60, respectively. Also includes defense and police systems members with more than 20 years of service.<br>Supplement and government contributions to increase the amount of the above mentioned.<br>Pensions for merit given by the General Treasury of the Republic.<br>Solidarity pensions for old age. |
| 152.10.1.1.2.0 | Early retirement pension                   | Monthly benefit paid to members of the Defined Contributions pension scheme (managed by IPS) who are entitled to decrease the required age for old-age pension due to heavy work conditions. Also includes pensions to torture victims.  |
| 152.10.1.1.3.0 | Other cash benefits                        | Assistance pension: People could apply to this monthly benefit only if over 65, lacking in resources and without the right of a pension in any provisional scheme.<br>Severance payment and compensations associated to Defined Contributions pension system.  |
| 152.20.1.1.1.1 | Private Mandatory Old Age                  | Monthly benefit paid to members of the Defined Contributions pension scheme (managed by Pension Fund Administrators). Men and women are eligible at 65 and 60, respectively.   |
| 152.20.1.1.2.1 | Private Mandatory Early Retirement Pension | Monthly benefit paid to members of the Defined Contributions pension scheme (managed by Pension Fund Administrators). Individuals can apply if with their own pension savings can afford a pension equal or higher than 80% of the Maximum Pension with Solidarity Contribution and equal or higher than 70% of the average income of the last 10 years of work.   |
| <b>2.</b>      | <b>SURVIVORS</b>                           |  |
| 152.10.2.1.1.3 | Special recognition pensions (7)           | Non contributive benefits granted by faculty of the President of the Republic, to persons affected by specific situations and fulfilling with the requirements established by law.<br>Monthly benefit payable to the children, spouse or dependant partner of an insured deceased worker member of the Defined Contributions pension scheme.   |
| 152.10.2.2.1.1 | Death allocations                          | Benefit which aims to refund the beneficiaries funeral expenses incurred by the death of an active contributor, retired or pensioner not affected to the rules contained in  |

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|                |  | the DL No 3500, 1980.  |
| 152.20.2.1.1.1 | Private Mandatory Orphanage Pension  | Monthly benefit payable to the children of an insured deceased worker member of the Defined Contributions pension scheme (managed by Pension Fund Administrators). Benefits are payable to children under age 18 (24 if studying or any age if disabled).  |
| 152.20.2.1.1.2 | Private Mandatory Widowhood Pension  | Monthly benefit payable to a spouse or dependant partner of an insured deceased worker member of the Defined Contributions pension scheme (managed by Pension Fund Administrators). Benefits to widower are paid only if disabled (although this condition changed in 2008).   |
| 152.20.1.1.1.3 | Private Mandatory Parents and Mothers of Children out of Marriage                          | Monthly benefit payable to the parents and mothers of children of an insured deceased worker member of the Defined Contributions pension scheme (managed by Pension Fund Administrators). Benefits are payable to single or widow(er) parents and mothers of children out of marriage who are dependents of the deceased worker  |
| <b>3.</b>      | <b>INCAPACITY-RELATED BENEFITS (Disability, Occupational injury and disease, Sickness)</b> |  |
| 152.10.3.1.1.0 | Disability pensions  | Monthly benefit paid as assistance to people that according to the decision of the Disability and Preventive Medicine Commission of the corresponding Health Service, is definitely disabled in total or partial form, and is not part of the Defined Contributions pensions scheme.   |
| 152.10.3.1.2.0 | Pensions   | Monthly benefit paid to members of de Defined Contributions pensions scheme, which according to The decision by the Disability and Preventive Medicine Commission of the corresponding Health Service is definitely disabled in total or partial form, to perform their functions.   |
| 152.10.3.1.3.0 | Paid sick leave  | Monthly benefit paid to members of the Defined Contributions pension scheme, which product of a work related accident or an occupational disease have suffered a presumably permanent decrease of their profit capacity equal or superior to 40% and lower than 70% (partial pension) superior to 70% (total pension) .          |
| 152.10.3.1.4.0 | Paid sick leave  | Sum of money paid to an employee for the period that has been with medical leave and which purpose is to replace the remuneration which stops perceiving while disabled, either by illness or ordinary accident, by a work related accident, occupational disease, maternal rest or serious illness of the child under one year. |

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| 152.10.3.1.5.0 | Other cash benefits                                      | Sum of money to which a worker has the right, product of a work related accident or an occupational disease that left him with a permanent disability equal or superior to 15% and under 40%.  |
| 152.10.3.2.2.1 | Rehabilitation services and medical care                 | Disability National Fund expenditures, except administration costs. Transfer and lodging for solidarity pensions beneficiary.  |
| 152.20.3.1.1.1 | Private Mandatory Disability Pension- Total disability   | Monthly benefit payable to insured disabled worker under age 65 and 60 for men and women, respectively, member of the Defined Contributions pension scheme (managed by Pension Fund Administrators). The disability must be at least two thirds of the working capacity. |
| 152.20.3.1.1.2 | Private Mandatory Disability Pension- Partial disability | Monthly benefit payable to insured disabled worker under age 65 and member of the Defined Contributions pension scheme (managed by Pension Fund Administrators). The disability must be at least fifty percent and no higher than two thirds of the working capacity.    |
| <b>4.</b>      | <b>HEALTH</b>  |  |
| 152.10.4.2.0.0 | Benefits in Kind   | Since 2000 See OECD Health Statistics. Data refer to Current expenditure on health (all functions) from Government and social health insurance schemes   |
| 152.20.4.2.0.0 | Benefits in Kind   | Since 2000 See OECD Health Statistics. Data refer to Current expenditure on health (all functions) from compulsory private insurance schemes   |
| 152.30.4.2.0.0 | Benefits in Kind   | Since 2000 See OECD Health Statistics. Data refer to Current expenditure on health (all functions) from Voluntary health care payment schemes  |
| <b>5.</b>      | <b>FAMILY</b>  |  |
| 152.10.5.1.1.1 | Family allocations                                       | Economic Allowance given completely by the State, which is paid monthly to an employee or pensioner for each of the persons living at their expense and fulfilling with the requirements established by law.<br>Includes familiar subsidy to low income families.        |
| 152.10.5.1.1.2 | Extraordinary Bonds                                      | Sums of money granted by special laws to low income people for helping them to face specific situations.   |
| 152.10.5.1.1.3 | Life Insurance   | Cash benefit contemplated in the Pension Scheme of the Ex-National Public Employees and Journalists Fund, wich favors the widow and the children of the deceased.  |

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| 152.10.5.1.1.4                            | Family subsidies   | Economic Allowance given completely by the State, which is paid monthly to low income people for each of the persons living at their expense and fulfilling with the requirements established by law.<br>Includes student scholarship.  |
| <b>6. ACTIVE LABOUR MARKET PROGRAMMES</b> |  |   |
| 152.10.6.0.0.0                            | Active Labour Market Programmes  | <p>SENCE develops four types of active labor market policies:</p> <ol style="list-style-type: none"> <li>1. Training programs for employment.</li> <li>2. A Direct Employment Program which aims to absorb the labor force in regions and districts where unemployment levels are significantly above the national average.</li> <li>3. Indirect employment programs that involve a subsidy to hiring and training provided to companies.</li> <li>4. Labor Intermediation System.</li> </ol> <p>See: OECD Labour Market Policy database:<br/><a href="#">OECD Data Explorer • Labour Market Programmes</a></p>   |
| 152.10.6.0.1.0                            | <p>PES and Administration</p> <p>Labor Intermediation System in Chile:</p> <ol style="list-style-type: none"> <li>1. In 1976, simultaneous with the creation of SENCE (National Service of Training and Employment), the Labor Intermediation System began.</li> <li>2. In 2009, the Integrated Unemployment Management System Program was launched. It intervenes in two levels:<br/>Component 1: Regional/Territorial/Provincia l level<br/>Component 2: Strengthening OMIL (Labor Intermediation</li> </ol> | <ol style="list-style-type: none"> <li>1. The Public Labor Intermediation System is operated by 292 Municipal Labor Intermediation Offices (OMIL) throughout the country, which are controlled and receive technical assistance from SENCE. It aims to help those unemployed to find a job. Employment information is provided, as well as training, career guidance, placement and certification of the requirements of those benefited by the “Fondo Solidario del Seguro de Cesantia” (Unemployment Insurance Solidarity Fund). The beneficiaries are the unemployed and first time job seekers.</li> <li>2. It aims to establish a management and coordination system for the territorial network of employment and employability, achieved by building relationships with public and private institutions to strengthen the OMIL intermediation network. It also provides technical assistance according to territorial labor market needs, and manages the Government programs regarding employment and employability.</li> </ol> |

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|                | and Information Municipal Offices)  |  |
| 152.10.6.0.1.1 | Welfare to work grants (Chile Barrio)                                       | <p>The aim of the Chile Barrio Program is to contribute the overcoming of poverty of those identified in the "Catastro Nacional de Asentamientos Precarios" (National Poor Settlement Registry), and offering alternatives for a major improvement of their housing situation, habitat plus labor and social insertion.</p> <p>Chile Barrio four areas of intervention are:</p> <ul style="list-style-type: none"> <li>• Community development and social insertion</li> <li>• Labor and productive facilitation</li> <li>• Housing and neighborhood improvement</li> <li>• Support to institutional strengthening programs aimed to overcoming poverty</li> </ul>   |
| 152.10.6.0.1.2 | Christmas and extraordinary benefits  | Fixed amount of money paid to the beneficiaries specified by law, on the occasion of Independence Day and Christmas.   |
| 152.10.6.0.2.0 | Training  |  |
| 152.10.6.0.2.1 | Training Grants unemployed (Becas OTIC)                                     | for Every year, OTIC prepares a program of training scholarships agreed with SENCE. This program is financed with the remnants of the adherent companies. Once the program is approved by SENCE, the OTIC calls for a public bidding and the contractor OTEC (any technical and training organism approved by SENCE) implement the program. The targets of these programs are low wages and under-skilled workers who work in companies that do not adhere nor contribute to the OTIC Scholarships; also unemployed or first time job seekers, and all those with low income and low qualification.  |
| 152.10.6.0.2.2 | Measures for seasonal farmers, dockworkers and fishermen (becas regionales) | <p>This program is divided into regular and special scholarships. The Regular Scholarship Program takes place throughout the country, and responds to training needs in each region (which are collected by the regional SENCE offices). The Special Scholarships are aimed at specifically vulnerable groups such as: seasonal agricultural workers, fishermen, occasional port workers, occasional crew members, indigenous population, housewives, etc.</p> <p>This program finances job training for low income population, giving them access to a stable job; it helps people to be independent workers and to improve their job performance, considering two lines of action:</p> <ol style="list-style-type: none"> <li>1. Training</li> <li>2. Training and work experience.</li> </ol> |



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| 152.10.6.0.2.3 | Micro and small business workers and owners training grants       | This program consists of a direct training subsidy for employees, administrators or managers of small companies (PYME). This subsidy is of maximum 26 UTM per company/year.  |
| 152.10.6.0.2.4 | Employment training for dislocated workers /reconversión laboral) | It consists of a training process for employees who need to acquire knowledge and skills in an occupation different than their own, enabling employees to get new job positions.   |
| 152.10.6.0.2.5 | Adult Training Grants   | The aim of the National Scholarship Program is to improve skills through job related training, improving employability. This program is focused on unemployed workers in a vulnerable situation, first time job seekers, underemployed workers or independent workers with low qualification jobs.   |
| 152.10.6.0.2.6 | On going Training System (Sist. Cap. Permanente Chile Califica)   | <p>This program is focused on an ongoing education and training, contributing to the country's development and improving opportunities for all Chileans, especially those in low income sectors.</p> <p>This program has the following lines of action :</p> <ol style="list-style-type: none"> <li>1. Skills to improve employability</li> <li>2. Labor skills</li> <li>3. Labor skills certification (*)</li> <li>4. Training program, including courses for leveling studies</li> <li>5. Training for entrepreneurship, exporting and business organizations</li> <li>6. New communication and information technologies (NTIC) application.</li> </ol> <p>(*) The Labor Skills Certification is the formal recognition process of a worker's skills -not considering the means by which she/he acquired this knowledge- through an evaluation based in specific criteria, defined by standards which are validated by the productive industry and according to a predefined methodology.</p> <p>In Chile (before the existence of Law N° 20.267), unions have historically been in charge of certifying, becoming public trustees of the certification, and holding the recognition of companies.</p> |
| 152.10.6.0.2.7 | Youth Training Grants (Especial jóvenes)                          | The program aims to improve the employability of youth, belonging to low income families who are facing economic and social insertion difficulties. Those who are reached by the program receive a guided training   |

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|                |   | enabling them to acquire enough skills to enter the labor market. Its achievement requires an outlined intervention process considering the interests and abilities of the young people, and also includes actions to diminish their social vulnerability.  |
| 152.10.6.0.2.8 | Training for armed forces and at risk youth                     | <p>The Program's aim is to improve the employability and working conditions of the following groups:</p> <ol style="list-style-type: none"> <li>1. Conscript soldiers of the three branches of the Armed Forces (Army, Navy and Air Force).</li> <li>2. Minors in irregular situation which are taken in by the "Niño y Patria" Foundation of Carabineros de Chile and by the "Programa 24 Horas" which operates in SENAME facilities.</li> <li>3. Men and women, who have been detained and are serving a specific type of sentence which includes night confinement, release under bail and guarded release.</li> </ol> |
| 152.10.6.0.2.9 | Youth opportunities grants (Jóvenes Bicentenario exChile Joven) | <p>The goal of this program is to increase the possibility of social and job insertion for young people from low income families and who face economic and social integration adversities. The program involves training and work experience and is focused on:</p> <ul style="list-style-type: none"> <li>• Developing skills on specific jobs, so they can reach a semi-qualified level.</li> <li>• Generating knowledge, skills, and abilities that lead to job insertion or the starting of small businesses.</li> <li>• Giving young people the opportunity to gain work experience.</li> </ul>                      |
| 152.10.6.0.4.0 | Employment Incentives   |   |
| 152.10.6.0.4.1 | Apprenticeship Program (Aprendices)                             | <p>The aim of this program is to promote and support the hiring of young men and women of ages 15 to 25, as apprentices, gaining experience in a job and having access to training provided by the same company or by technical training institutes under the supervision of someone experienced. SENCE gives the companies a bonus equivalent to 50% of the IMM (Minimum Monthly Income) per year for each person hired (the contract includes training). The SENCE finances training with a cost of a maximum 10 UTM. Until 2006 the program was only eligible for people under 21.</p>                                 |
| 152.10.6.0.4.2 | Training Bonus Programme (Pro empleo)                           | <p>The aim of this program is to alleviate seasonal unemployment and facilitate labor insertion of vulnerable groups, giving a subsidy for the employment</p>   |

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|                |                                  | and training of workers. This subsidy corresponds to 40% of the IMM plus \$50.000 for training.  |
| 152.10.6.0.4.3 | Job Creation Bonus               | Supporting process actions for beneficiary intermediation.   |
| 152.10.6.0.6.0 | Direct Job Creation              |  |
| 152.10.6.0.6.1 | Employment programmes            | The goal of this program is to absorb unemployed labor force in regions and districts of the country, where unemployment levels are significantly higher than the national average. The focus is the development of projects that benefit the community, contributing to improve skills and abilities and, as a consequence, increasing job opportunities. |
| <b>7.</b>      | <b>UNEMPLOYMENT</b>              |  |
| 152.10.7.1.1.1 | Unemployment subsidies           | It is a benefit of a pecuniary nature, intended to protect with a subsidy all the workers who have lost their source of work through no fault of their own, providing financial support during their inactivity and for a maximum period of 360 days.  |
| 152.10.7.1.1.2 | Severance pay                    | Compensation in cash for time served, as indicated by the organic laws of some pension schemes administered by the IPS.  |
| <b>8.</b>      | <b>HOUSING</b>                   |  |
| 152.10.8.2.1.0 | Housing Assistance               | Capital transfers from Government to individuals. Is a benefit of a pecuniary nature, intended to protect with a subsidy all families with low or medium income that do not have a house of their own, but have a small saving.  |
| <b>9.</b>      | <b>OTHER SOCIAL POLICY AREAS</b> |  |
| 152.10.9.1.2.0 | Other Cash Benefits              | It is a benefit of a pecuniary nature, intended to protect all vulnerable people, including human rights, original native people, women, young people and victims of nature disasters.   |