Old age pensions in Mexico: Toward universal coverage

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In 2000, 22% of Mexico's seniors (age 65 and older) received income from a pension. Thirteen years later, 88% had pensions. Nearly all this remarkable increase in coverage was due to social pensions: non-contributory benefits, unrelated to employment records. (See figures 1 and 2.)

This paper chronicles the rise of social pensions in Mexico. First it summarizes the pension system prior to introduction of social pensions. Next it describes how Mexico City, the federal government, and seventeen of Mexico's 31 states initiated social pensions, a policy supported eventually by each of the three major political parties. It concludes with thoughts on what remains to be done.

1 Before social pensions

Until recently, social pensions did not exist in Mexico. All age pensions were earnings-related, financed with government subsidies and payroll taxes. Mexico introduced social pensions long after other countries of the region,[1] and for that reason had pension coverage of only 22% as late as 2000.

Pension coverage refers to individuals, and is not a measure of poverty. Not all pensioners live in comfort, especially if their pensions are small, and not all seniors without pensions live in poverty. Even pensioners who receive benefits adequate for their personal needs might live in poverty if they have to support a spouse or destitute relatives. Similarly, seniors without pensions might escape poverty thanks to wage income, personal savings, or support from a spouse or adult children.

Expressing coverage in terms of individuals rather than households is useful. We have no way of knowing the distribution of resources and income within a household, so assume that a person receiving a pension is the one who benefits from it. Anyone age 65 or older who has no pension income is classified "without pension", regardless of any pension a spouse might receive. The classification holds even when the pensioner receives a "dependent spouse" supplement, because the dependent spouse does not receive it. When a pensioner with an earnings-related pension dies, any survivor's benefit is also classified as "earnings related" because the pension depends on the deceased pensioner's record of earnings.

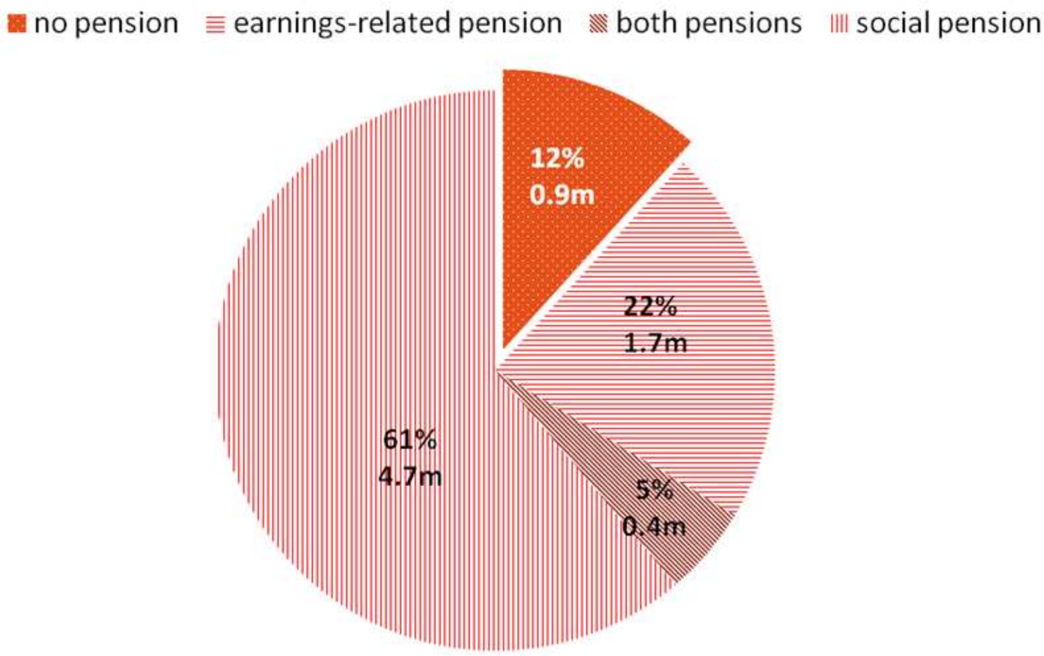
[1] Atenea Flores-Castillo, "Transferencias No Contributivas a Personas Mayores", United Nations, Cepal Mexico, November 2013, table 5, pp. 23-24.

Figure 1: Mexican Seniors Age 65 and Older, with and without Pensions (2000)

Source: Author's calculations, based on CONAPO, *Diagnóstico socio-demográfico del envejecimiento en México*, 2011, tables 1.2 and 3.9.

Figure 2: Mexican Seniors Age 65 and Older, with and without Pensions (2013)

Source: Author's calculations, based on SEDESOL: Cuarto Informe Trimestral 2011; Press Release 50, 3 Nov 2013; Diagnóstico Pensión para Adultos Mayores, 2013, table 18, p. 69.



Earnings-related pensions of workers in the private sector were (and still are) financed in part from mandated 'contributions' (6.5% of wages), managed until 1997 on a pay-as-you-go basis by the Mexican Social Security Institute (IMSS). General government revenue covers deficits. The old social security rules require retirement from work and at least 500 weeks (9.6 years) of contributions. Workers move in and out of formality, so most contributors fail to qualify for an earnings-related pension and receive nothing, not even a lump sum, when they retire.

Private-sector workers who qualify are able to retire at age 65 with a pension equal to at least one minimum wage, which was MX$1,137 (US$120) a month in the year 2000. (See box 1.) In addition, pensioners with a dependent spouse receive a 15% bonus. All pensioners receive a 13th month end-of-year benefit. Survivors receive 90% of the spouse's base pension. Government employees receive guaranteed pensions of at least two minimum wages. Minimum pensions for retirees of the military and Pemex (the government-owned petroleum monopoly) are even more generous.

Not every pensioner retires at age 65. Workers who are unemployed, unable to find work, and have the required record of contributions can retire as early as age 60 with a reduced pension. Since qualified workers receive pensions at age 65 only if they retire, some seniors continue working without a pension beyond age 65. It is impossible for government to track employment in the informal sector, so pensioners of all ages work illegally, often for less than the minimum wage.

Mexico reformed its social security system in 1997, creating individual, privately managed, retirement savings accounts.[2] Contributions (6.5% of wages) are now credited to

Box 1: Mexico's "minimum wage" pensions

Mexico's social security system for workers in the private sector promises a guaranteed minimum pension equal to "one minimum wage" for those who have contributed long enough to qualify. Minimum wages in Mexico are expressed per day, whereas pensions are expressed per month, so what is a minimum wage pension?

In Mexico a minimum wage pension is equal to 30 minimum daily wages a month. The minimum daily wage in 2013 was MX$64.76 (about 5 US dollars), so a minimum wage pension was MX$1942.80 (about US$150) a month. A pension of half a minimum wage was MX$971.40 and a pension of two minimum wages was MX$3885.60.

The minimum wage is adjusted in January of each year. During retirement, earnings-related pensions are adjusted in February of each year according to changes in the consumer price index.

[2] Marco A. Espinosa-Vega and Tapen Sinha, "A Primer and Assessment of Social Security Reform in Mexico", *Economic Review*, Federal Reserve Bank of Atlanta (2000 Q1), pp. 1-23; Carmen Hoyo and David Tuesta, "Financiando la jubilación con activos inmobiliarios: un análisis de caso para México", BBVA Research, Mexico, November 2013.

individual accounts. Generous government subsidies continue, though in a different form. Government adds a "social quota" to each worker's mandated contribution. At first this was a flat payment (5.5% of a minimum wage) for everyone, but in May 2009 was changed to 7.0% of salary for those earning the minimum wage, declining in steps to 5.8% of a minimum wage for salaries ten to 15 times the minimum wage, and zero for those earning more than 15 minimum wages.

The guaranteed minimum pension of one minimum wage continues, with free top-ups from government for those whose savings accounts are too small to finance a minimum annuity (private pension), but the required number of weeks to qualify increased to 1250 weeks (24 years). In compensation, those with fewer contributions can withdraw their accumulated savings at age 65. Workers with 500 or more weeks of contributions who began to contribute prior to 1997 can opt to retire under the rules of the old system.

2 Mexico City (Federal District), 2001-2013

The governor of the Federal District, Andrés Manuel Lopez Obrador (AMLO) introduced Mexico's first social pension in 2001. From the start, Mexico City's pension was universal. Applicants had to submit only proof of age (at least 70 years) and residence in the Federal District (at least three continuous years immediately prior to application). The government lowered the age requirement to 68 years in September of 2009, and left the residence requirement unchanged. Residence is the primary reason for rejection of applications, because 12 million residents of Greater Mexico City live outside the Federal District and had no access to social pensions until recently. (See below and box 2.)

Each pensioner receives a debit card, which functions also as an identity card. A cash benefit equal to half a minimum wage (MX$600 – US$64 – in 2001) is credited each month to the card, which can be used to purchase food and other necessities. Pensioners are also entitled to free health care and free public transportation. The total cost of the universal pension is less than 4% of the Federal District's budget and less than 0.25% of its Gross

Box 2: Mexico's capital city

Mexico City is synonymous with the Federal District, which has a population of 8.8 million. Greater Mexico City is an urban agglomeration of more than 21 million inhabitants. Most live in the surrounding state of Mexico. The Federal District, from its creation, was ruled by the federal government through an appointed governor often referred to outside of Mexico as the "Mayor" of Mexico City. In 1997 the Federal District gained autonomy similar to that of a state. Residents now elect, by popular vote, their governor and representatives to a Legislative Assembly. The local government administers its own budget, subject to limits on internal and external public debt. The left-leaning PRD (*Partido de la Revolución Democrática*/Party of the Democratic Revolution) dominates local politics.

Source: "Mexico City", Wikipedia, accessed 4 December 2013.

Domestic Product (GDP).[3] Administrative expenses are limited by law to a maximum of 12% of disbursed cash benefits, but have been consistently lower (6.8%, for example, in 2011).[4] There has never been even a hint of corruption in administration of the pension, even though Mexico is not noted for absence of corruption. Mexico City's experience suggests that clear rules and simple tests make it difficult for bureaucrats to demand payment to 'expedite' applications.

Initial take-up of universal pensions was very good. Within a year, two-thirds of the eligible seniors were receiving pensions. Take-up reached 86% in 2002, then slowly increased, reaching a high of 97% in 2008. In figure 3, the lines of age-eligible seniors and pension beneficiaries diverge in 2009, when the age of eligibility was reduced to 68 years. The number of pensioners has been *precisely* 480 thousand since 2011, even though the number of eligible seniors increased each year, reaching 589 thousand in 2013. The fiscal cost of social pensions, as a percentage of the budget, actually fell from 4.0% in 2011 to 3.8% in 2013.[5] Contrary to the principle of universal pensions as a right, authorities are forcing applicants to wait for pensioners to emigrate or die. Age 68 is the age of application for a social pension in Mexico City, not necessarily the age to receive one.

The government of the Federal District strayed from universality, but kept the size of the pension equal to one-half a minimum wage. The pension rose from 600 pesos in 2001 to 971 in 2013. This is a small pension, equal in 2013 to 8.1% of Mexico's *per capita* income and less than 4% of Mexico City's higher *per capita* income. Moreover, there is no end-of-year bonus or allowance for dependents. Why is Mexico City's social pension so modest? Asa Cristina Laurell, AMLO's Secretary of Health and co-architect of the universal pension, explained in November 2003[6] that budget constraints ruled out a preferred option: flat pensions of one minimum wage and an age of eligibility no higher than 65 years. At the national level, according to Dr Laurell, the preferred option could easily be financed by eliminating government subsidy of earnings-related pensions. Mexico City does not control federal subsidies, so opted for a less generous pension, financed by reducing salaries and perks of government officials.

Governments often turn to means tests to escape the confines of a fixed budget. Dr Laurell categorically rejects means tests, citing administrative costs, stigmatisation, and inevitable errors that result from attempts to target the poor. Her criticism is valid for tests

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[3] See Larry Willmore, "Universal Pensions for Developing Countries", *World Development* (January 2007), pp. 33-34.

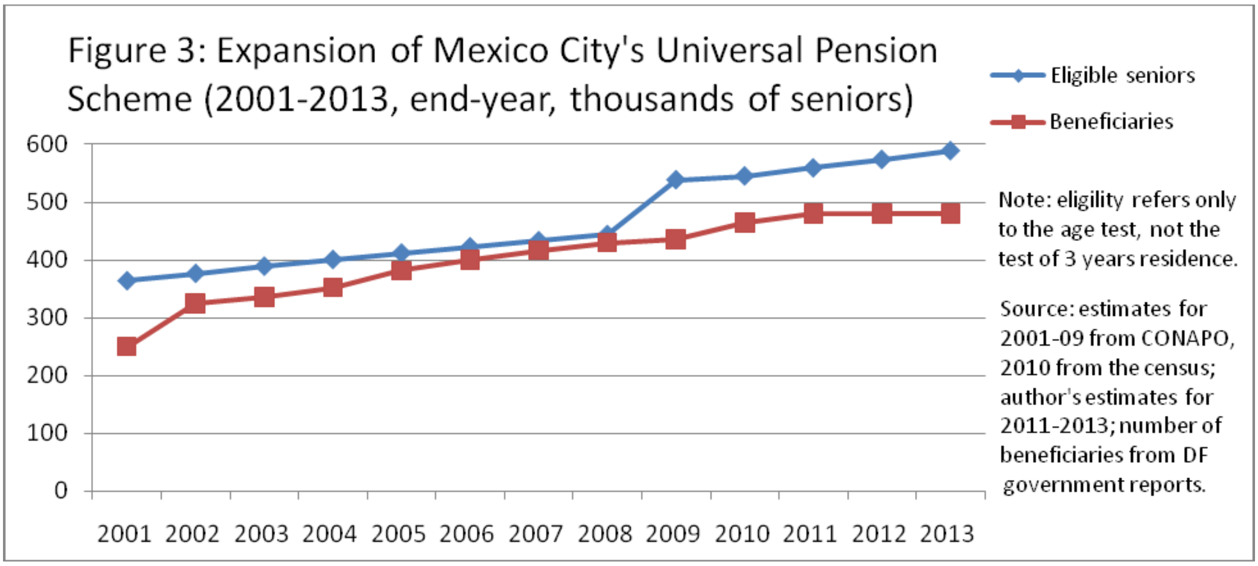
[4] Atenea Flores-Castillo, "Transferencias No Contributivas a Personas Mayores", p. 59.

[5] Larry Willmore "Take-up of universal pensions in Mexico City", Thought du Jour, 19 July 2013. <www.larrywillmore.net/blog/2013/07/19/take-up-of-universal-pensions-in-mexico-city/>

[6] Rosa Elena Bernal Díaz, "La Pensión Universal Ciudadana: Entrevista a Dra. Asa Cristina Laurell", *Entrelazándonos* (November 2003), pp. 15-19. See also Asa Cristina Laurell, "What does Latin American social medicine do when it governs? The case of the Mexico City government", *American Journal of Public Health* 93:12 (December 2003), pp. 2028-2031.

of income and assets, but not for tests limited to earnings-related pensions. Errors and administrative costs are low for pension-tests, and there is no reason for an applicant to suffer stigma if the test is applied to individuals rather than households. After all, a housewife with no employment record can claim such a pension, regardless of her husband's income. A pension-tested scheme ('guarantee pension') replaced Sweden's universal pension ('*folkpension*') in a 1998 reform.[7] It is remarkable that Dr Laurell, a native of Sweden, complained that 'only' 40% of Mexico City's seniors[8] receive earnings-related pensions, yet refused to consider exclusion of these seniors from social pensions. Introduction of a pension-test in 2001 would have opened fiscal space to lower the age of eligibility from 70 to 65 years. Alternatively, the size of the pension could have been almost double.

Nonetheless, exclusion of age-qualified Mexicans from social pensions, though fiscally wise, might be politically foolish. Mexico is not Sweden. In Sweden, nearly all workers pay social security contributions, directly or through their employer. In Mexico, most employment is informal, beyond reach of the social security system. If workers in Mexico's formal sector are denied social pensions, they may resent provision of 'large' social pensions (pensions large enough to actually live on) restricted to those who contribute little or nothing to social security. When social pensions are generous and income- or pension-tested, even subsidised contributions to pension schemes will correctly be perceived as taxes rather than saving, possibly driving workers into informality.[9]



[7] Agneta Kruse, "A Stable Pension System: The Eighth Wonder", in *Population Ageing - A Threat to the Welfare State?*, edited by T. Bengtsson (Demographic Research Monographs, Springer-Verlag, 2010), pp. 47-64.

[8] Dr Laurell's 40% estimate refers to 2003 or earlier. The estimate for 2013 is 43.1%. See appendix below.

[9] Santiago Levy, *Good Intentions, Bad Outcomes: Social Policy, Informality, and Economic Growth in Mexico* (Brookings, 2008).

3 Federal schemes, 2007-2013

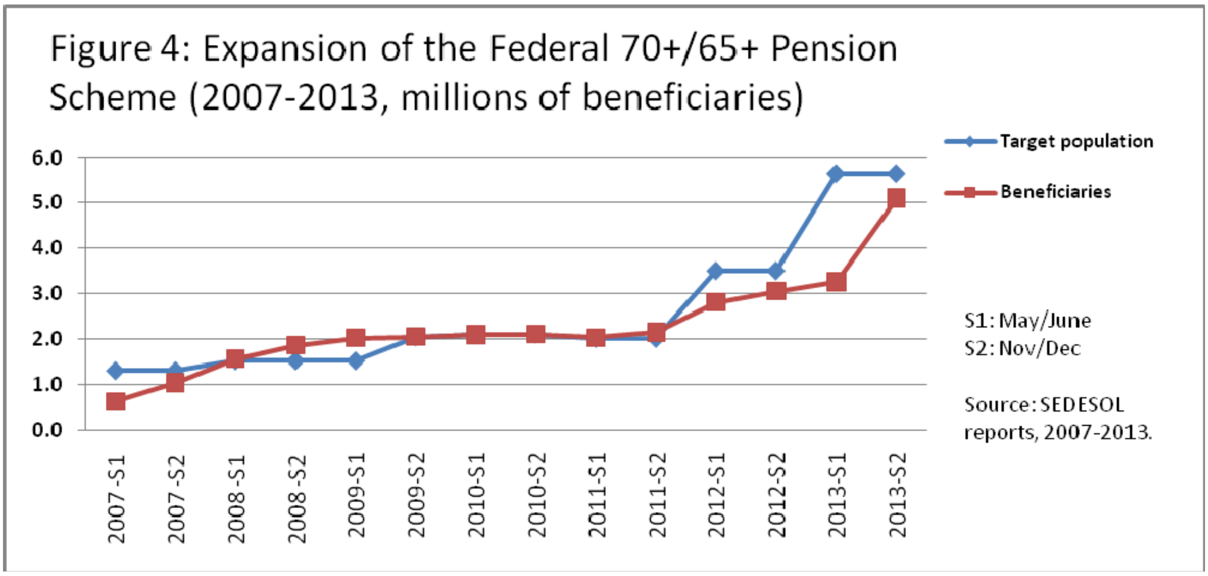
Lopez Obrador (AMLO) resigned in 2005 to campaign for the presidency of Mexico as candidate of the left-leaning PRD (*Partido de la Revolución Democrática*/Party of the Democratic Revolution). He left office with an approval rating of more than 80%, due in no small measure to popularity of the universal pension. AMLO promised if elected to extend Mexico City's universal pension to all of Mexico. Cutting government waste (including the generous pensions of former presidents), AMLO asserted, would make space in the budget to fund a universal pension. Surprisingly, AMLO never mentioned the possibility of reducing subsidies for social security pensions. Perhaps this was included under the rubric of "government waste". AMLO lost the election by a slim margin to Felipe Calderón of the conservative PAN (*Partido Acción Nacional*/National Action Party). Calderón and other PAN politicians opposed AMLO's universal pension scheme. The centrist PRI (*Partido Revolucionario Institucional*/Institutional Revolutionary Party) did not participate in the debate.

In 2007, PRD parliamentarians, with support from others in the Chamber of Deputies[10], were able to circumvent presidential opposition and initiate a modest universal pension scheme for residents of rural areas. SEDESOL (*Secretaría de Desarrollo Social*/ Secretariat of Social Development) launched the"70 *y más*" (hereafter 70+) scheme for seniors 70 and older living in localities with a population of 2,500 or less. This 'geographic targeting' reached about 24% of the total population of Mexico,[11] and an even larger proportion of the 70+ population, because the elderly are over-represented in rural areas. The monthly pension was MX$500 (US$45), paid bimonthly, plus a death benefit of one thousand pesos. Rural communities are not served by banks or supermarkets, so SEDESOL had to deliver all benefits in cash. Nonetheless, by the end of 2007 SEDESOL was providing payments to more than one million seniors – 80% of the target population. (See figure 4.) Registration was initially slow, but all benefits were paid retroactive to January 2007. Administration costs are less than 4% of pension benefits. As in Mexico City, there have been no reports of corruption.

In 2008 Congress extended 70+ pensions to localities as large as 20,000 inhabitants. By the end of the year, beneficiaries exceeded the target population of 1.5 million because SEDESOL was accepting applications in communities as large as 30,000 inhabitants. In 2009 Congress officially increased the allowable population size to 30,000. Beneficiaries increased to 2 million, roughly equal to the target population, and remained at that level through 2011. (See figure 4 once again.) The 500 peso pension in 2011 was equal to about 40 US dollars – 28% of the minimum wage. That same year, AMLO again ran for president, and again promised to implement Mexico City's universal pension scheme nationally.

[10] The PRD controlled only 160 of 500 seats in the Chamber of Deputies, and 36 of 128 seats in the Senate, so needed support from members of other parties.

[11] *OECD Rural Policy Reviews: Mexico 2007*, figure 0.1, p. 15.



In January 2012, the unthinkable happened. President Felipe Calderón, who in 2006 had campaigned against AMLO and against universal pensions, announced that he was extending immediately the 70+ scheme to urban Mexico. Geographic targeting ended. In its place, President Calderón introduced a pension test. The 70+ pension of 500 pesos would now go only to seniors without an earnings-related pension. Importantly, the test applies to individuals, not households, so any pension of a spouse is disregarded. With one stroke, the target population increased 75%, to 3.5 million. The president hoped to reach this target quickly, but SEDESOL was able to register only 3.1 million seniors by the last month of his term of office (November 2012). The 70+ pension was no longer universal, was very small, and still not indexed. Nonetheless, its extension to urban areas reduced the attraction of AMLO's call for a universal pension of half a minimum wage (935 pesos in 2012) from age 68.[12]

The 2012 presidential contest was very different from that of 2006. In 2006, only AMLO supported social pensions. In 2012, all three major candidates supported social pensions. AMLO continued to promote Mexico City's universal pension as a model for the federal government. The PAN candidate (Josefina Vázquez Mota, since an incumbent president cannot serve a second term) promised to complete the work of President Calderón. Enrique Peña Nieto, candidate of the PRI,[13] promised a "universal pension" to every Mexican from the age of 65.[14]

Peña Nieto won, with more than 38% of the vote. AMLO placed second, with 31.6%, and Vázquez Mota came in a distant third. On assuming office, Peña Nieto transformed the 70+ system to 65+ by reducing the age of eligibility. The social pension retained its pension

[12] Late in the campaign, AMLO reduced the promised age of eligibility from 68 years to 65. Roberto Garduño, "Propone AMLO pensión universal a mayores de 65", *La Jornada* (Mexico City), 5 April 2012.

[13] The PRI ruled Mexico continuously for 71 years before losing the presidency to the PAN in 2000.

[14] Roberto Garduño, "Firma Peña Nieto compromiso de dar pensión universal a mayores de 65 años", *La Jornada* (Mexico City), 4 May 2012, p. 14.

test and otherwise did not change, except for a slight increase in pension size, to 525 pesos. It quickly became clear that Peña Nieto's "universal pension" was not universal. The eligible population increased from 3.5 to 5.65 million.[15] By mid-year only 3.3 million seniors were enrolled. SEDESOL provided only limited statistics following the change of government, but reported in November 2013[16] that 5.1 million seniors were enrolled in 65+ and would receive a November/December pension.

Mexico's pension coverage had increased markedly. (See figure 2 again.) At the end of 2013 more than two-thirds of seniors were receiving a social pension from the federal government, and more than a quarter were receiving an earnings-related pension. Of these, 400,000 rural residents aged 72 and older received both a social pension *and* an earnings-related pension. (See box 3.)

On September 8th, 2013, President Peña Nieto presented to Congress draft legislation so that the 65+ scheme would become a permanent "Universal Pension" rather

Box 3: Double pensions in 2013

Some elderly residents of rural areas received both social and earnings-related pensions in 2013. To avoid double-counting pensioners, it is necessary to estimate their number. The pension test introduced in 2012 exempts seniors who were on the 2011 universal 70+ rural pension list. The number who qualified for an earnings-related pension is not a matter of record, but can be estimated. We know that approximately 22% of the population aged 65 and older, living in previously targeted rural areas, received an earnings-related pension in 2013. (See table below.) Assuming 22% of 70+ pensioners received an earnings-related pension in 2011 then, adjusted for expected deaths over two years, about 400,000 rural residents aged 72 and older received two pensions in 2013. Figure 2 ignores social pensions provided in 2013 by Mexico City and eleven state governments. (See figure 5 and the appendix table.)

Table: Seniors 65+ with and without earnings-related pensions, rural and urban Mexico, 2013 (thousands of residents and percentages)

		Number of residents		% with
	Total	with pension	without pension	pension
Rural (<=30)	3,602	788	2,814	21.9
Urban (>30)	4,136	1,298	2,838	31.4

Source: SEDESOL, *Diagnóstico del programa Pensión para Adultos Mayores,* 2013, table 18, p. 69.

[15] The 5.65m target population ignores approximately 400,000 rural residents transitionally receiving two pensions. See box 3.

[16] SEDESOL, Comunicado de Prensa 50/031113, 3 November 2013.

than a line item in each year's budget.[17] Initial reaction was negative, especially from the PRD in Mexico City. Asa Cristina Laurell complained that the proposed legislation was "confusing and unclear".[18] Some parts of the draft law were actually quite clear. The size of the pension, for example, was set equal to Mexico's minimum poverty line, 1,092 pesos a month (US$2.85 a day) in July 2013.[19] For the first time, the social pension would be indexed, rising each July with increases in the cost of subsistence living. The age of eligibility – initially 65 – would increase every five years by 87% of any increase in life expectancy at birth. There was provision for a transition period "no greater than 15 years" for the pension to reach the minimum poverty line. In the meantime, the pension was to remain 525 pesos unless funds became available to increase it.

The unclear – and controversial - parts of the draft legislation were the addition of an income test and tightening of the pension test to include social pensions that Mexico City and some state governments provide to seniors. In response to criticism, the government removed both measures from the draft bill. The feared targeting of the poor, and exclusion of those receiving other social pensions, will not happen. On 28 October the lower house passed the revised legislation with 417 votes in favour, 19 against, and three abstentions. The bill then went to the Senate, where final approval is expected in 2014.

Every resident citizen from age 65 is expected to receive some sort of pension by the end of 2014. Non-citizens with at least 25 years residence also have the right to an old age pension. The gap between pensions of privileged workers and social pensions of the masses remains large, however. The federal 65+ social pension is a flat monthly amount (MX$525 – about US$40) whereas an earnings-related pension is one minimum wage (MX$1942.80 – about US$150) or more, plus 13th month and dependent spouse bonuses. Importantly, earnings-related pensions increase with increases in minimum wages and prices. Social pensions increase at discretion of government.

4 State schemes, 2003-2013

In 2007, when federal 70+ rural pensions were launched, twelve of Mexico`s 32 federal entities (31 states plus the Federal District) were operating social pension schemes. Sub-national schemes peaked at seventeen in 2011. (See figure 5.) The number of entities with social pension schemes fell to fourteen in 2012, when the federal government expanded its 70+ pension scheme to urban areas. In 2012, when 70+ became 65+, the number of federal entities with social pensions fell further, to the number that existed in 2007. The expectation is that all these schemes, with the exception of Mexico City's universal pension, will end when the federal government achieves universal coverage.

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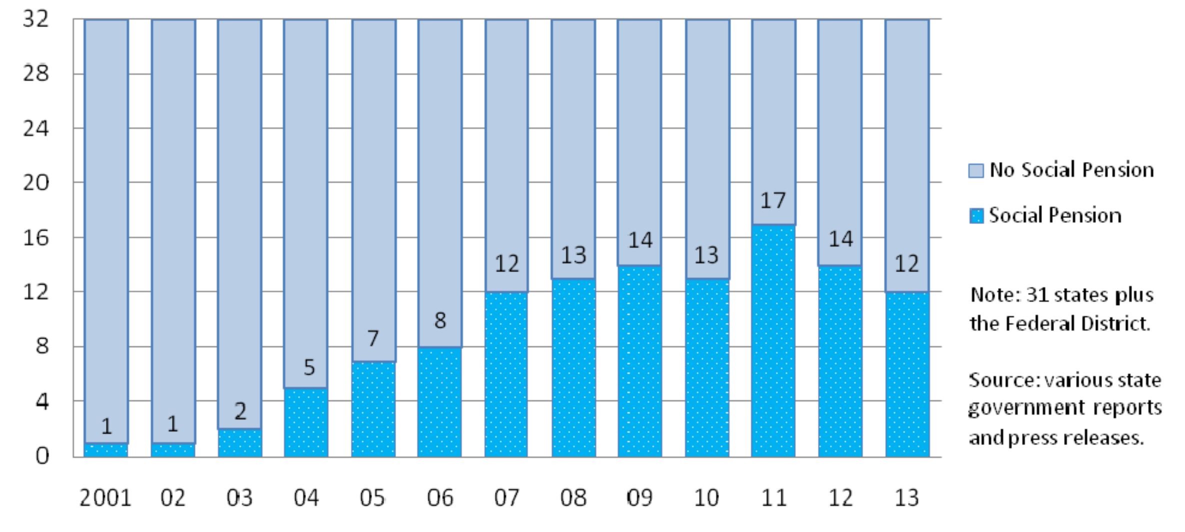
[17] Enrique Peña Nieto al Presidente de la Mesa Directiva de la Cámara de Diputados del Congreso de da Unión, 8 September 2013. http://www.diputados.gob.mx/PEF2014/ingresos/09_lpu_lsd.pdf

[18] Asa Cristina Laurell, "¿Seguridad social universal? Una iniciativa opaca y ambigua", *La Jornada* (Mexico City), 9 October 2013.

[19] More precisely, the proposed pension is an average, weighted by population shares, of rural and urban minimum poverty lines.

Figure 5: Social Pensions of Federal Entities (2001-2013)



The appendix contains information for social pension schemes that eighteen federal entities operated during the period 2001-13. The data were gleaned from government and news reports posted on the internet, so might be incomplete. The most surprising absence is Mexico, the largest state in the Mexican union, with a population of 15.7 million. This state surrounds Mexico City, and three-quarters of its population reside in Greater Mexico City. Nonetheless, its government showed no interest in social pensions, not even in 2006-12, when Peña Nieto was governor.

The eighteen entities that initiated social pensions have little in common. They range from the most developed (Federal District) to the least developed (Chiapas). Surprisingly, the two polar opposites are the only ones that experimented with universal pensions. Universality in the Federal District continues to function reasonably well, but in 2013 came to an abrupt end in Chiapas. The other sixteen states are scattered throughout the ranks of federal entities ordered by the UNDP Human Development Index or any of its three components (health, education, income).[20]

5 Conclusion

Mexico has improved markedly its pension system, but further progress is urgently needed in three areas. First, pension coverage is incomplete. Nearly one million seniors have no pension. They should be registered in the 65+ scheme of social pensions as soon as possible. Second, the 65+ pension - 525 pesos a month – is far too small. The pension should be doubled immediately, to reach the minimum poverty line. Even this bar is too low. It measures subsistence, the bare minimum needed to purchase enough food for a single

[20] *Índice de Desarrollo Humano en México: cambios metodológicos e información para las entidades federativas* (UNDP, Mexico, 2012).

person to remain healthy.[21] An income half that needed for subsistence cannot possibly keep anyone healthy. Finally, the pension test should be removed, transforming 65+ into a truly universal pension. Without universality, it will be difficult, perhaps impossible, to increase the size of Mexico's social pension even to a subsistence level.

What stands in the way of these goals? Opponents inevitably respond "high fiscal costs". But is this true? Here are illustrative calculations based on 2013 demographic data. What if all 5.65 million seniors eligible under the rules of 2013 were given 525-peso pensions? The required funding is equal to 35,595 million pesos (about 0.2% of GDP). Universality (removing the pension test) increases beneficiaries to 7.7 million and raises costs to 0.3% of GDP. Universality *plus* an increase in benefits to the subsistence level (1,092 pesos) raises costs further, to 0.6% of GDP.

These are not large numbers. And, they are *gross* costs. Net costs are lower, because flat social pensions can replace subsidies currently used to enhance earnings-related pensions. Basic, universal pensions could replace at least some matching contributions (social quotas), a subsidy that accounts for 28,334 million pesos (0.17% of GDP) of the 2013 federal budget.[22] Additional savings would come from reducing minimum pension guarantees by the amount of the universal pension.

[21] A more reasonable poverty line (*linea de bienestar*) allows for both food and non-food expenditure, and is nearly twice as large as the minimum poverty line (*linea de bienestar mínimo*). See CONEVAL, "Medición de la pobreza: Líneas de bienestar y canasta alimentaria". <www.coneval.gob.mx/Medicion/Paginas/Lineas-de-bienestar-y-canasta-basica.aspx> Accessed 30 January 2013.

[22] Camara de Diputados, *El Presupuesto Público Federal para la Función Protección Social, 2012-2013* (Mexico, DF, April 2013), table 14, p. 34. <www.diputados.gob.mx/cedia/sia/se/SAE-ISS-12-13.pdf>

Appendix: Elderly population and social pensions of federal entities, 2013 (coverage of earnings-related pensions and other information for Federal District and states with social pensions)

Entity	Year	Party	Age	Monthly benefit	65+ Population	65+ coverage (%) Social	Contributory
Federal District	2001 -	PRD	68	$971	762,338	63.0	43.1
Guerrero	2003 -13	PRI	65	$400	246,751	21.1	12.8
Chihuahua	2004 -	PRI	65	$934	226,120	2.6	33.7
Nuevo Leon	2004 -	PRI	70	$700	316,012	18.0	46.3
Sonora	2004 -	PRI	65	$83	179,169	28.2	47.0
Colima	2005 -	PRI	65	$920	45,130	7.7	33.8
Veracruz	2005 -	PRI	70	$850	612,913	6.4	22.0
Quintana Roo	2006 -12	PRI	70	$850	49,435	0	24.5
Chiapas *	2007 -	PRD	64	$550	262,408	91.5	7.7
Tlaxcala 2007-	2007 -	PAN	65	$500	74,822	12.0	16.3
Tabasco	2007 -09	PRI	65	$500	127,958	0	13.2
Jalisco	2007 -11	PAN	70	$500	513,077	0	29.5
Baja California	2008 -12	PAN	60	$250	167,233	0	39.6
Durango	2009 -11	PRI	70	$500	116,613	0	30.7
Puebla	2011-11	PAN	70	$500	394,221	0	16.6
Sinaloa	2011 -	PAN	70	$500	203,762	6.4	35.5
Zacatecas	2011 -	PRI	70	$400	117,169	1.7	15.2
Oaxaca	2011 -13	PAN/PRD	70	$500	310,707	1.9	8.6
Total (18 entities)					**4,725,838**	**20.3**	**27.8**
MEXICO (32 entities)					**7,737,600**	**11.7**	**27.0**

*Social pensions of Chiapas end-2012. The number of beneficiaries declined rapidly in 2013.
Note: Monthly benefits in pesos. One US dollar was about 13 Mexican pesos in 2013.
"Party" is the party of the governor when a social pension was first introduced.
"Age" is the age of eligibility in 2013 or the last year a social pension scheme was operating.
"Monthly benefit" is the cash payment per month in 2013 or the last year of a scheme.

Source: SEDESOL, *Diagnóstico del programa Pensión para Adultos Mayores*, 2013, table 18, p. 69;
L. Willmore, "Social pensions in Mexican states", <www.larrywillmore.net/blog/tag/mexican-states/>