

Pakistan

Exchange rate: U.S.\$1.00 equals 58 rupees.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1972, never implemented.

Current law: 1976.

Type of program: Social insurance system.

Coverage

Employees in firms with 10 workers or more.

Voluntary coverage: Employees of firms with fewer than 10 workers.

Exclusions: Those engaged in family labor and the self-employed.

Special systems for public employees, the armed forces, the police, statutory bodies, local authorities, banks, and railway employees.

Commercial and industrial establishments with 50 employees or more must provide group insurance for temporary and permanent disability and death benefits for employees earning less than 3,000 rupees a month.

Source of Funds

Insured person: 20 rupees a month.

Employer: 5% of payroll.

Government: Subsidies as needed.

Maximum earnings for contribution and benefit purposes are 3,000 rupees a month.

Qualifying Conditions

Old-age pension: Age 60 (men) or age 55 (women and miners), with 15 years of contributions. Retirement from covered employment is not necessary.

Reduced pension: A reduced pension is payable from ages 55 to 59 (men) or 50 to 54 (women).

Old-age grant: Age 60 (men) or age 55 (women) with 2 to 14 years of covered employment.

Disability pension: Loss of 2/3 of earning capacity with 15 years of contributions, or 5 years of contributions including 3 out of the last 5 years.

Survivor pension: The deceased had at least 36 months of covered employment or was a pensioner at the time of death.

Old-Age Benefits

Old-age pension: 2% of the average monthly wage (based on the last 12 months' earnings) times the number of years of covered employment.

The minimum pension is 700 rupees (as of November 2001).

Reduced pension: The full old-age pension is reduced by half a percent for each month that retirement precedes age 60 (men) or age 55 (women). The minimum pension is reduced similarly.

Old-age grant: A lump sum equal to 1 month's wage for each year of covered employment.

Permanent Disability Benefits

Disability pension: See old-age pension, above.

Survivor Benefits

Survivor pension: 100% of the insured's minimum pension is divided equally if there is more than one widow. The surviving widow must have been married to the deceased before the deceased reached the minimum pensionable age for the old-age pension.

The minimum pension is 700 rupees (as of November 2001).

If a surviving spouse dies within 5 years of first receiving the survivor pension, the remaining balance of the 5 years' survivor pension is paid to the surviving parents of the insured person.

Administrative Organization

Ministry of Labor, Manpower, and Overseas Pakistanis provides general supervision.

Employees' Old-Age Benefits Institution administers the old-age pension.

Sickness and Maternity

Regulatory Framework

First law: 1962 (national law), never implemented.

Current law: 1965.

Type of program: Social insurance system. Cash and medical benefits.

Coverage

Employees in industrial, commercial, and other establishments (including domestic servants) earning 3,000 rupees a month or less whose employer has opted for self-assessment and employees earning 5,000 rupees a month whose employer has not opted for self-assessment.

Exclusions: Those engaged in family labor; the self-employed; and employees earning more than 3,000 rupees a month whose employer has opted for self-assessment or 5,000 rupees a month whose employer has not opted for self-assessment.

Eligibility does not cease on leaving covered employment. Once covered, a person remains eligible for benefits.

Special systems for public employees, the armed forces, the police, local authorities, and railway employees.

Source of Funds

Insured person: 20 rupees a month.

Employer: 7% of payroll.

Maximum earnings for contribution and benefit purposes are 3,000 rupees a month or 120 rupees a day for employers opting for self-assessment and 5,000 rupees a month or 200 rupees a day for employers not opting for self-assessment.

Government: None.

The above contributions also finance work injury benefits.

Qualifying Conditions

Cash sickness benefits: 90 days of contributions in the last 6 months.

Cash maternity benefits: 180 days of contributions in the last 12 months.

Medical benefits: Current coverage.

Sickness and Maternity Benefits

Sickness benefit: 75% of earnings; 100% in cases of tuberculosis and cancer (50% in the North-West Frontier Province and in Balochistan). Benefit is payable after a 2-day waiting period for up to 121 days (365 days for tuberculosis and cancer) in a 1-year period.

Maternity benefit: 100% of earnings, payable for 12 weeks, including no more than 6 weeks before the expected date of childbirth.

Workers' Medical Benefits

Medical services are provided mainly through social security facilities. Benefits include general medical care, specialist care, medicines, hospitalization, maternity care, and transportation.

Benefits are awarded for as long as it is considered necessary or for 6 months after the patient has exhausted entitlement to sickness benefit, whichever period is shorter.

Dependents' Medical Benefits

Same as for the insured worker, except that hospitalization for dependents is provided only in cases of maternity, surgery, and cancer.

Death grant: 1,500 rupees.

Administrative Organization

Provincial Labor Department provides general supervision.

Provincial Employees' Social Security Institutions in Punjab, Sindh, North-West Frontier Province, and Balochistan administer the program in each province. The institutions are managed by a tripartite governing body and a commissioner and are authorized to establish their own dispensaries and hospitals or to contract with public and private agencies for provision of medical services.

Work Injury

Regulatory Framework

First law: 1923 (workmen's compensation act of 1923 remains in force for employees not covered by the social insurance law).

Current law: 1965 (social insurance).

Type of program: Social insurance system.

Coverage

Social insurance law: Employees of industrial, commercial, and other establishments earning 3,000 rupees a month or less whose employer has opted for self-assessment and employees earning 5,000 rupees a month or less if the employer has not opted for self-assessment.

Exclusions: Those engaged in family labor, the self-employed, and persons earning above 3,000 rupees a month.

Workmen's compensation act: Employees of industrial establishments with 10 workers or more earning 3,000 rupees a month or less.

Exclusions: Those engaged in family labor, the self-employed, and persons earning more than 3,000 rupees a month.

Special systems for public employees, the armed forces, the police, local authorities, and railway employees.

Source of Funds

Insured person

Social insurance law: None.

Workmen's compensation act: None.

Employer

Social insurance law: See Sickness and Maternity, above.

Workmen's compensation act: Total cost, including the cost of medical examinations.

Government

Social insurance law: None.

Workmen's compensation act: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Social insurance law: 60% of earnings; 100% in Punjab and Sindh. Benefit is payable after a 3-day waiting period for up to 180 days (the waiting period is waived in Punjab).

Workmen's compensation act: Insured persons with earnings of less than 3,000 rupees a month receive 50% of monthly earnings for up to 1 year; for a lung disease, 33% of monthly earnings for up to 5 years.

Permanent Disability Benefits

Permanent disability pension

Social insurance law: 75% of earnings (100% in Punjab) for a 67% loss or greater of earning capacity.

Partial disability: Up to 66% of the benefit for full disability based on a formula.

Workmen's compensation act: For permanent total disability, a lump sum of 200,000 rupees. The cost of any medical examination is paid by the employer.

Workers' Medical Benefits

Medical services are provided mainly through social security facilities. Benefits include general medical care, specialist care, medicines, hospitalization, maternity care, dental care, and transportation. There is no limit to duration.

Survivor Benefits

Survivor pension

Social insurance law: 60% of the insured's total disability pension. The pension is payable to a widow or a needy disabled widower.

Orphans: 20% of the insured's pension for each orphan under age 16; 40% for a full orphan.

Dependent parent (in the absence of a widow(er) or orphans): 20% of the insured's pension.

The maximum survivor pension is 100% of the insured's pension.

Workmen's compensation act: A lump sum of 100,000 rupees.

Death grant: 1,500 rupees.

Administrative Organization

Social insurance law: Provincial Labor Department provides general supervision.

Provincial Employees' Social Security Institution administers contributions and benefits.

Workmen's compensation act: Workmen's compensation commissioners in provinces provide general supervision.

Unemployment

Regulatory Framework

Labor code requires employers with 20 employees or more to pay a severance payment equal to the last 30 days' wages for each year of employment.