

## Pakistan

Exchange rate: US\$1.00 equals 57.69 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1972, never implemented.

**Current law:** 1976 (old-age benefits).

**Type of program:** Social insurance system.

#### Coverage

Employees in firms with 10 workers or more.

Voluntary coverage for employees of firms with fewer than 10 workers.

Exclusions: Family labor and the self-employed.

Special systems for public-sector employees; members of the armed forces; police officers; and employees of statutory bodies, local authorities, banks, and railways.

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.

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

**Self-employed person:** Not applicable.

**Employer:** 5% of payroll.

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

**Government:** Subsidies as needed.

#### 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.

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

**Old-age grant:** If ineligible for the old-age pension, age 60 (men) or age 55 (women) with 2 to 14 years of covered employment.

**Disability pension:** The 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 old-age pension is 700 rupees (November 2001).

Early pension: The full old-age pension is reduced by 0.5% for each month that the pension is taken before 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:** 2% of the average monthly wage (based on the last 12 months' earnings) times the number of years of covered employment.

The minimum disability pension is 700 rupees (November 2001).

#### Survivor Benefits

**Survivor pension:** 100% of the deceased'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 (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 deceased's surviving parents.

#### Administrative Organization

Ministry of Labor, Manpower, and Overseas Pakistanis (<http://www.pakistan.gov.pk>) provides general supervision.

Employees' Old-Age Benefits Institution (<http://www.eobi.gov.pk>) administers the old-age pension.

#### Sickness and Maternity

##### Regulatory Framework

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

**Current law:** 1965 (provincial social security).

**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 into the self-assessment scheme for the calculation of contributions due and employees earning 5,000 rupees a month whose employer has not opted

into the self-assessment scheme for the calculation of contributions due.

**Exclusions:** Family labor; the self-employed; employees earning more than 3,000 rupees a month whose employer has opted into the self-assessment scheme for the calculation of contributions due and employees earning 5,000 rupees a month whose employer has not opted into the self-assessment scheme for the calculation of contributions due.

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

Special systems for public-sector employees, members of the armed forces, police officers, local authority employees, and railway employees.

### Source of Funds

**Insured person:** 20 rupees a month.

**Self-employed person:** Not applicable.

**Employer:** 7% of payroll.

The above employer contributions also finance work injury benefits.

The maximum earnings for contribution and benefit purposes are 3,000 rupees a month or 120 rupees a day for employers opting into the self-assessment scheme for the calculation of contributions due and 5,000 rupees a month or 200 rupees a day for employers not opting into the self-assessment scheme for the calculation of contributions due.

**Government:** None.

### 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:** Currently covered.

### Sickness and Maternity Benefits

**Sickness benefit:** 75% of the insured's earnings; 100% in cases of tuberculosis and cancer (50% in the North-West Frontier Province and Baluchistan). The 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.

**Death grant:** 1,500 rupees.

**Maternity benefit:** 100% of earnings is 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.

### Administrative Organization

Provincial Labor Department provides general supervision.

Provincial Employees' Social Security Institutions in Punjab, Sindh, North-West Frontier Province, and Baluchistan 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

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#### Regulatory Framework

**First law:** 1923 (workmen's compensation; remains in force for employees not covered by the current law), implemented in 1924.

**Current law:** 1965 (provincial social security).

**Type of program:** Social insurance system.

#### Coverage

**Social security:** 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:** Family labor, the self-employed, and persons earning above 3,000 rupees a month.

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

**Exclusions:** Family labor, the self-employed, and persons earning more than 3,000 rupees a month.

Special systems for public-sector employees, members of the armed forces, police officers, local authority employees, and railway employees.

### Source of Funds

#### Insured person

**Social security:** None.

**Workmen's compensation:** None.

**Self-employed person**

*Social security:* Not applicable.

*Workmen's compensation:* Not applicable.

**Employer**

*Social security:* See source of funds under Sickness and Maternity, above.

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

**Government**

*Social security:* None.

*Workmen's compensation:* None.

**Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

**Temporary Disability Benefits**

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

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

**Permanent Disability Benefits****Permanent disability pension**

*Social security:* 75% of earnings (100% in Punjab) for a loss of earning capacity of 67% or more.

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

*Workmen's compensation:* 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 security):** 60% of the deceased's total disability pension. The pension is payable to a widow or a needy disabled widower.

**Orphan's pension (social security):** 20% of the deceased's pension for each orphan younger than age 16; 40% for a full orphan.

**Dependent parent pension (social security):** In the absence of a widow(er) and orphans, 20% of the deceased's pension.

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

**Death grant (social security):** 1,500 rupees.

**Survivor grant (workmen's compensation):** A lump sum of 100,000 rupees.

**Administrative Organization**

**Social security:** Provincial Labor Department provides general supervision.

Provincial Employees' Social Security Institution administers contributions and benefits.

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

**Unemployment****Regulatory Framework**

No statutory unemployment benefits are provided.

The 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.