

## Pakistan

Exchange rate: US\$1.00 = 104.87 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 of firms with five or more workers.

Voluntary coverage is available for employees of firms with up to five workers.

Exclusions: Family laborers and self-employed persons.

Special systems for public-sector employees; military and police personnel; and railways.

#### Source of Funds

**Insured person:** 1% of the minimum wage.

The minimum wage is 10,000 rupees a month in the provinces of Punjab, Sindh and North-West Frontier; 9,000 rupees for the province of Balochistan.

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

**Employer:** 5% of the minimum wage.

The minimum wage is 10,000 rupees a month in the provinces of Punjab, Sindh and North-West Frontier; 9,000 rupees for the province of Balochistan.

**Government:** None.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men), age 55 (women), or age 50 (miners) with at least 15 years of contributions. Retirement from covered employment is not necessary.

Early pension: A reduced pension is paid from age 55 to 59 (men) or ages 50 to 54 (women) with at least 15 years of contributions.

**Old-age grant:** Age 60 (men), age 55 (women), or age 50 (miners) with at least two years and less than 15 years of covered employment.

**Disability pension:** Assessed with a 67% loss in earning capacity with at least 15 years of contributions or five years of contributions including three of the last five years.

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

In order of priority, eligible survivors include the spouse, children younger than age 18 (no limit if disabled or for unmarried daughters), the deceased's parents, and other dependents. The surviving spouse must have been married to the deceased before the deceased reached the minimum pensionable age for the old-age pension.

#### Old-Age Benefits

**Old-age pension:** 2% of the insured's average monthly earnings in the last 12 months multiplied by the number of years of covered employment is paid.

The minimum old-age pension is 3,600 rupees a month.

Early pension: The pension is reduced by 0.5% for each month that the pension is taken before the normal retirement age.

Benefit adjustment: Benefits are adjusted on an ad-hoc basis.

**Old-age grant:** A lump sum of one month of the insured's average monthly earnings for each year of covered employment is paid.

#### Permanent Disability Benefits

**Disability pension:** 2% of the insured's average monthly earnings in the last 12 months multiplied by the number of years of covered employment is paid.

The minimum disability pension is 3,600 rupees a month.

#### Survivor Benefits

**Survivor pension:** 100% of the minimum pension is paid to, or split equally among, the surviving spouse or spouses. If there is no surviving spouse, the pension is split equally among eligible orphans. If there are no eligible orphans and if the surviving spouse dies within five years of first receiving the survivor pension, the survivor pension is paid to the deceased's surviving parents for up to five years after the death of the insured's spouse; if there are no surviving parents, the remaining balance of the first five years of survivor pension may be paid to a dependent.

The minimum survivor pension is 3,600 rupees a month.

#### Administrative Organization

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

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

## Sickness and Maternity

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### Regulatory Framework

**First law:** 1958 (maternity).

**Current law:** 1958 (maternity); 1965 (provincial social security).

**Type of program:** Social insurance (medical benefits) and employer-liability system (cash benefits).

### Coverage

**Cash benefits (employer liability):** All employed persons in the private and public sector.

**Medical benefit (social insurance):** Private-sector employees and household workers with monthly earnings up to 10,000 rupees.

Eligibility for benefits does not cease on leaving covered employment.

Exclusions: Family laborers and self-employed persons.

Special systems for public-sector employees; military and police personnel; and employees of local authorities and railways.

### Source of Funds

#### Insured person

**Cash benefits (employer liability):** None.

**Medical benefits:** See source of funds under Work Injury.

#### Self-employed person

**Cash benefits (employer liability):** None.

**Medical benefits:** See source of funds under Work Injury.

#### Employer

**Cash benefits (employer liability):** The total cost.

**Medical benefits:** See source of funds under Work Injury.

The maximum earnings used to calculate contributions are 10,000 rupees a month or 400 rupees a day.

#### Government

**Cash benefits (employer liability):** None.

**Medical benefits:** See source of funds under Work Injury.

### Qualifying Conditions

**Cash sickness benefits (employer liability):** Must have at least 90 days of contributions in the last six months.

**Cash maternity benefits (employer liability):** Must have at least 180 days of contributions in the last 12 months and must have been employed for at least four months preceding the expected date of child birth.

**Medical benefits:** Must be currently covered.

**Maternity medical benefits:** Must have at least 90 days of contributions in the last six months.

### Sickness and Maternity Benefits

**Sickness benefit (employer liability):** 75% of the insured's earnings is paid; 100% for tuberculosis and cancer (50% in North-West Frontier Province and Balochistan). The benefit is paid after a two-day waiting period for up to 121 days (365 days for tuberculosis and cancer) in a one-year period.

**Maternity benefit (employer liability):** 100% of the insured's earnings is paid for six weeks before and six weeks after the expected date of childbirth.

### Workers' Medical Benefits

**Medical benefits:** Social security facilities provide medical services. Benefits include general medical care, specialist care, medicine, hospitalization, and transportation.

Benefits are provided for as long as considered necessary or for six months after the patient has exhausted entitlement to sickness benefits, whichever period is shorter.

**Maternity medical benefits:** Prenatal and postnatal care is provided for a total of 12 weeks.

### Dependents' Medical Benefits

**Medical benefits for dependents:** Social security facilities provide medical services. Benefits include general medical care, specialist care, medicine, hospitalization (for maternity, surgery, and cancer only), maternity care, and transportation.

Eligible dependents include the insured's wives or a dependent, disabled husband; dependent, unmarried children up to age 21; and dependent parents.

### Administrative Organization

Provincial Labour Department provides general supervision.

Provincial Employees' Social Security Institutions, managed by a tripartite governing body and a commissioner, administer the program in each province. Each institution may establish its own dispensary hospital or contract with a public or private agency for medical services.

## Work Injury

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### Regulatory Framework

**First and current laws:** 1923 (workmen's compensation), implemented in 1924; and 1965 (provincial social security).

**Type of program:** Social insurance and employer-liability system.

Note: The 1923 workmen's compensation law remains in force for employees not covered by the 1965 social security law.

### Coverage

**Social insurance:** Employees and household workers with monthly earnings up to 10,000 rupees.

Exclusions: Family laborers and self-employed persons.

**Employer liability:** Employees of firms with at least 10 workers.

Exclusions: Self-employed persons.

Special systems for public-sector employees; military and police personnel; and employees of local authorities and railways.

### Source of Funds

#### Insured person

*Social insurance:* None.

*Employer liability:* None.

#### Self-employed person

*Social insurance:* Not applicable.

*Employer liability:* Not applicable.

#### Employer

*Social insurance:* 6% of monthly payroll.

The employer's contribution also finance Sickness and Maternity benefits.

*Employer liability:* The total cost.

#### Government

*Social insurance:* None.

*Employer liability:* None.

### Qualifying Conditions

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

### Temporary Disability Benefits

*Social insurance:* 60% of earnings is paid (100% in Punjab and Sindh) after a three-day waiting period for up to 180 days (no waiting period in Punjab).

*Employer liability:* 50% of monthly earnings is paid for up to one year; for lung disease, 33% of monthly earnings for up to five years.

### Permanent Disability Benefits

#### Permanent disability pension

*Social insurance:* For a total disability (loss of earning capacity of 67% or more), 75% of earnings (100% in Punjab) is paid.

Partial disability: Up to 66% of the total disability benefit is paid, according to a schedule in law.

*Employer liability:* For a permanent total disability, a lump sum of 300,000 rupees is paid.

### Workers' Medical Benefits

Social security facilities provide medical services. Benefits include general medical care, specialist care, medicine, hospitalization, maternity care, and transportation.

There is no limit to the duration of benefits.

### Survivor Benefits

**Spouse's pension (social insurance):** 60% of the total disability pension the deceased received or was entitled to receive is paid to a widow or a needy widower with a disability in the provinces of Punjab, Balochistan and North-West Frontier.

In the province of Sindh, 75% of the total disability pension the deceased received or was entitled to receive is paid to a needy widow(er) with a disability. If there are other survivors, the 75% is divided equally among the widow(er) and orphans (up to age 21; no limit for unmarried dependent daughters). If there are no orphans, the amount is divided among the widow(er) and the deceased's surviving parents.

**Orphan's pension (social insurance):** 20% of the total disability pension the deceased received or was entitled to receive is paid to each orphan younger than age 16; 40% for a full orphan.

**Dependent parent's pension (social insurance):** If there is no eligible widow(er) or orphan, 20% of the total disability pension the deceased received or was entitled to receive is paid to each dependent parent.

All survivor benefits combined must not exceed 100% of the total disability pension the deceased received or was entitled to receive.

**Death grant (social insurance):** 30 days of sickness benefit; at least 1,500 rupees is paid.

**Survivor grant (employer liability):** A lump sum of 200,000 rupees is paid.

**Iddat grant:** The deceased's last full daily wage is paid for 130 days to widows or divorced women.

### Administrative Organization

**Social insurance:** Provincial Labour Department provides general supervision.

Provincial Employees' Social Security Institutions in each province administer contributions and benefits.

**Employer liability:** Workmen's compensation commissioners in each province provide general supervision.

## **Unemployment**

### **Regulatory Framework**

No statutory unemployment benefits are provided.

The labor code requires employers with 20 employees or more to provide a severance payment of the insured's last 30 days of wages for each year of employment.

## **Family Allowances**

### **Regulatory Framework**

**First and current laws:** 1991 (family allowances), and 2010 (family allowances).

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

Note: Additional financial assistance and medical treatment is also provided through the Bait-Ul-Mal Program to needy persons who do not receive benefits from other social welfare agencies.

### **Coverage**

All citizens.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost is financed from general revenues.

### **Qualifying Conditions**

**BISP family allowance (means tested):** Paid to needy families and to certain families where a member has a chronic physical or mental condition.

**Child education Benefit (means tested):** Paid to families with children aged 5 to 16 to assist with primary education costs.

### **Family Allowance Benefits**

**BISP family allowance (means tested):** 1,500 rupees a month is paid.

**Child education Benefit (means tested):** 300 rupees a month is paid to families with one child; 600 rupees a month to families with two or more children.

### **Administrative Organization**

The Benazir Income Support Program (<http://www.bisp.gov.pk/Default.aspx>) and the Pakistan Bait-Ul-Mal (<http://www.pbm.gov.pk/default.html>) pay benefits.