

Pakistan

Exchange rate: US\$1.00 = 85.42 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 5 or more workers.

Exclusions: Family labor and self-employed persons.

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

Source of Funds

Insured person: 1% of the minimum wage.

The minimum wage is 7,000 rupees a month.

Self-employed person: Not applicable.

Employer: 5% of the minimum wage.

The minimum wage is 7,000 rupees a month.

Government: Subsidies as needed.

Qualifying Conditions

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

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

Old-age grant: Age 60 (men) or age 55 (women); age 50 for miners. The insured is ineligible for the old-age pension but has at least 2 years of covered employment.

Disability pension: Assessed with a 67% loss in earning capacity. Must have at least 15 years of contributions or 5 years of contributions including 3 out of the last 5 years.

Survivor pension: The deceased was a pensioner at the time of death.

In order of priority, eligible survivors are 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 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 3,000 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 1 month of earnings for each year of covered employment is paid.

Permanent Disability Benefits

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

The minimum pension is 3,000 rupees a month.

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

Survivor Benefits

Survivor pension: 100% of the deceased's minimum pension is paid to the surviving spouse or split equally among spouses. In the absence of a surviving spouse, the pension is split equally among eligible orphans. In the absence of eligible orphans and if the surviving spouse dies within 5 years of first receiving the survivor pension, the survivor pension is paid to the deceased's surviving parents for up to 5 years after the death of the insured's spouse; in the absence of surviving parents, the remaining balance of the first 5 years of survivor pension may be paid to a dependent.

The minimum pension is 3,000 rupees.

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

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

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 of industrial, commercial, and other establishments with five or more workers earning up to 10,000 rupees a month.

Eligibility for benefits does not cease on leaving covered employment.

Exclusions: Family labor and self-employed persons.

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

Source of Funds

Insured person: None.

The employee's contributions also finance work injury benefits.

Self-employed person: Not applicable.

Employer: 6% of monthly payroll.

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

The employer's contributions also finance work injury benefits.

Government: None.

Qualifying Conditions

Cash sickness benefits: The insured must have at least 90 days of contributions in the last 6 months.

Cash maternity benefits: The insured must have at least 180 days of contributions in the last 12 months.

Medical benefits: The insured must be currently covered.

Sickness and Maternity Benefits

Sickness benefit: 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 2-day waiting period for up to 121 days (365 days for tuberculosis and cancer) in a 1-year period.

Maternity benefit: 100% of the insured's earnings is paid for 12 weeks, including up to 6 weeks before the expected date of childbirth.

Death grant: A death grant is provided.

Workers' Medical Benefits

Social security facilities provide medical services. Benefits include general medical care, specialist care, medicine, 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 benefits, whichever period is shorter.

Dependents' Medical Benefits

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

Administrative Organization

Provincial Labour Department provides general supervision.

Provincial Employees' Social Security Institutions 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), implemented in 1924.

Current law: 1965 (provincial social security).

Type of program: Social insurance system.

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

Coverage

Social security: Employees of industrial, commercial, and other establishments earning up to 10,000 rupees a month.

Exclusions: Family labor and self-employed persons.

Workmen's compensation: Employees of industrial establishments with 5 or more workers earning up to 7,000 rupees a month.

Exclusions: Family labor and self-employed persons.

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

Commercial and industrial establishments with 50 or more employees must provide group insurance for temporary and permanent disability and death benefits for employees earning less than the minimum required amount.

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.

Workmen's compensation: The 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

Temporary disability benefit

Social security: 60% of earnings is paid (100% in Punjab and Sindh) 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 10,000 rupees a month receive 50% of monthly earnings for up to 1 year; for lung disease, 33% of monthly earnings for up to 5 years.

Permanent Disability Benefits

Permanent disability pension

Social security: 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.

Workmen's compensation: For a permanent total disability, a lump sum of 300,000 rupees is paid. The cost of any medical examination is paid by the employer.

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

Survivor pension (social security): 60% of the deceased's total disability pension is paid to a widow or a needy widow with a disability.

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

Dependent parent's pension (social security): In the absence of a widow(er) and orphans, 20% of the deceased's total disability pension is paid to each dependent parent.

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

Death grant (social security): A death grant is provided.

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

Administrative Organization

Social security: Provincial Labour Department provides general supervision.

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

Workmen's compensation: 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 pay a severance payment of the last 30 days of wages for each year of employment.