

## Zambia

Exchange rate: US\$1.00 = 5,185 kwacha.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1966 (provident fund).

**Current law:** 1996 (pension scheme), implemented in 2000.

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

#### Coverage

Employed persons, including agricultural workers, household workers in urban areas, apprentices, and all employees of the national public service and local authorities who began work on or after February 1, 2000.

Voluntary coverage for self-employed persons and some categories of informal-sector workers who were previously covered for at least 60 months.

Exclusions: Military personnel.

Special system for employees of the national public service and local authorities who began work before February 1, 2000.

#### Source of Funds

**Insured person:** 5% of gross earnings; 10% of gross earnings for the voluntarily insured.

The maximum monthly earnings used to calculate contributions are 13,392.90 kwacha.

**Self-employed person:** 10% of covered earnings for the voluntarily insured.

The maximum monthly earnings used to calculate contributions are 13,392.90 kwacha.

**Employer:** 5% of covered payroll.

The maximum monthly earnings used to calculate contributions are 13,392.90 kwacha.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 55 with at least 180 months of contributions.

Employment must cease.

Early pension: Age 50 with at least 180 months of contributions.

Employment must cease.

**Retirement lump sum:** Age 55 with less than 180 months of contributions.

All old-age benefits are payable abroad only under reciprocal agreement.

**Disability pension:** Must be assessed as permanently incapable of any work as the result of a physical or mental disability and have at least 60 months of contributions, including at least 12 in the 36 months before the disability began.

A medical board appointed by the Minister of Labor and Social Security assesses the disability.

**Disability lump sum:** Must be assessed as physically or mentally disabled and younger than the pensionable age with less than 60 months of contributions.

Benefits are payable abroad only under reciprocal agreement.

**Survivor pension:** The deceased received or was entitled to receive an old-age or disability pension, or had at least 60 months of contributions.

Eligible survivors include the spouse and children younger than age 18 (age 25 if a student, no limit if disabled).

A surviving spouse caring for one or more of the deceased's children is eligible for a pension until death or remarriage.

If the surviving spouse is younger than age 45 and does not have children with the deceased, a reduced pension is paid for two years.

**Survivors' lump sum:** The deceased was not entitled to receive the old-age or disability pension, had less than 60 months of contributions, and was eligible for the old-age or disability lump sum.

**Funeral grant:** Paid if the deceased received or was entitled to receive an old-age or disability pension, or had at least 12 months of contributions in the 36 months before death.

Benefits are payable abroad only under reciprocal agreement.

#### Old-Age Benefits

**Old-age pension:** The insured's average adjusted monthly earnings multiplied by the number of months of contributions is paid.

The minimum monthly pension is 20% of national average monthly earnings.

The maximum monthly pension is 40% of the insured's average adjusted monthly earnings.

Early pension: A reduced pension of at least 20% of the national average monthly earnings is paid.

Benefit adjustment: Benefits are adjusted annually according to changes in national average earnings.

**Retirement lump sum:** A lump sum of the total adjusted contributions from the insured and the employer plus accrued interest is paid.

### **Permanent Disability Benefits**

**Disability pension:** The insured's monthly calculated old-age pension or the minimum pension (whichever is greater) is paid plus compensation for lost years of work due to disability. The insured is credited with 1.5% of indexed monthly earnings for each year of work lost from the time the disability began until pensionable age.

The minimum monthly pension is 20% of national average monthly earnings.

**Disability lump sum:** A lump sum of the total adjusted contributions from the insured and the employer plus accrued interest is paid.

### **Survivor Benefits**

**Survivor pension:** The old-age or disability pension the deceased received or was entitled to receive at the time of death is paid; if the deceased was not of pensionable age at the time of death, the disability pension, calculated using the date of death as the date of onset of disability, is paid.

When there is more than one eligible survivor, the pension is split according to a schedule in law.

**Survivors' lump sum:** The old-age or disability lump sum the insured was entitled to receive is paid.

**Funeral grant:** A lump sum of 10 times the minimum pension is paid to the survivor; if there is no survivor, the grant is paid to the person who paid for the funeral.

### **Administrative Organization**

Ministry of Labor and Social Security (<http://www.mlss.gov.zm>) provides general supervision.

National Pension Scheme Authority (<http://www.napsa.co.zm>), managed by a tripartite board of trustees and a director general, administers the program through two regional offices and 23 district offices.

## **Sickness and Maternity**

### **Regulatory Framework**

**First law:** 1973.

**Current law:** 1994.

**Type of program:** Medical benefits only.

No statutory cash benefits are provided.

### **Coverage**

**Cash sickness and maternity benefits:** No statutory benefits are provided.

**Medical benefits:** All resident citizens of Zambia.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Most of the cost of medical benefits.

### **Qualifying Conditions**

**Cash sickness and maternity benefits:** No statutory benefits are provided.

**Medical benefits:** Must be a resident citizen of Zambia.

### **Sickness and Maternity Benefits**

**Cash sickness and maternity benefits:** No statutory benefits are provided.

### **Workers' Medical Benefits**

**Medical benefits:** Medical care is available in government hospitals, clinics, and rural health centers at low cost. Selected medical institutions require the payment of fees for medical services.

### **Dependents' Medical Benefits**

**Medical benefits for dependents:** Medical care is available in government hospitals, clinics, and rural health centers at low cost. Selected medical institutions require the payment of fees for medical services.

### **Administrative Organization**

Ministry of Health (<http://www.moh.gov.zm>) provides general supervision.

## **Work Injury**

### **Regulatory Framework**

**First laws:** 1929 (employer liability), 1950 (pneumoconiosis act), and 1963 (compulsory insurance).

**Current law:** 1994 (workers' compensation).

**Type of program:** Employer-liability system, involving compulsory insurance with a public carrier.

### **Coverage**

Employed persons, including casual workers, household workers, and apprentices; self-employed; and public-sector employees not covered under the special system for public-sector employees.

Special system for public-sector employees.

### **Source of Funds**

**Insured Person:** None.

**Self Employed Person:** None.

**Employer:** Pays the total cost. Contribution amounts vary according to the assessed degree of risk.

**Government:** None; contributes as an employer.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

**Temporary disability benefits:** If the insured is assessed with a degree of disability of 10% or less, 50% of monthly covered earnings is paid for up to 24 months. Medical certification is necessary.

The maximum monthly earnings used to calculate benefits are 800.00 kwacha.

The minimum and maximum benefits vary according to the assessed degree of disability.

A government institution or private clinic assesses the degree of disability.

Benefit adjustment: Benefits are adjusted periodically according to changes in the cost of living

### **Permanent Disability Benefits**

**Permanent disability pension:** If the insured is assessed with a total (100%) disability, 50% of covered monthly earnings when the disability began is paid.

The maximum monthly earnings used to calculate benefits are 800.00 kwacha.

Constant-attendance allowance: Paid if the insured is assessed with a total disability and requires the constant attendance of others to perform daily functions.

Partial disability: If the insured is assessed with more than a 10% degree of disability, 50% of covered monthly earnings when the disability began multiplied by the assessed degree of disability is paid. For 10% or less a lump sum is paid.

A government institution or private clinic assesses the degree of disability. A review of the assessed degree of

disability resulting from occupational diseases is conducted annually. A review of the assessed degree of disability resulting from a work injury is possible if the worker's medical condition changes.

Benefit adjustment: Benefits are adjusted periodically according to changes in the cost of living.

### **Workers' Medical Benefits**

The Workers' Compensation Fund Control Board refunds all employer expenses incurred as a result of hospitalization, and the treatment of occupational accidents and diseases at public and private health institutions.

### **Survivor Benefits**

**Spouse's pension:** 80% of the disability pension the deceased received or was entitled to receive is paid monthly to a widow(er).

Remarriage settlement: The spouse's pension ceases on remarriage and a lump sum of 24 months of pension is paid.

**Orphan's pension:** 15% of the disability pension the deceased received or was entitled to receive is paid for the first orphan (30% for a full orphan) and 5% for each additional orphan (10% for each additional full orphan) younger than age 18. The monthly pension is paid for up to eight orphans.

**Other eligible survivors:** If there is no surviving widow(er) or child, an amount is paid to other eligible dependent survivors according to their degree of dependency on the deceased.

Benefits Adjustment: Benefits are adjusted periodically.

**Funeral Grant:** Funeral expenses are paid for workers who die while working.

### **Administrative Organization**

Ministry of Labor and Social Security (<http://www.mlss.gov.zm>) provides general supervision.

Workers' Compensation Fund Control Board (<http://www.workers.com.zm>), managed by a board and a commissioner, administers contributions and benefits.