

## Pakistan

Exchange rate: US\$1.00 = 90.54 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.

Exclusions: Family laborers 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 8,000 rupees a month.

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

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

The minimum wage is 8,000 rupees a month.

**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 age 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 of covered employment but not eligible for the old-age pension.

**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 (January 2012).

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 pension is 3,600 rupees a month (January 2012).

#### **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 pension is 3,600 rupees (January 2012).

#### **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 types of firms, 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; members of the armed forces; police officers; and employees of local authorities and railways.

### Source of Funds

**Insured person:** None.

**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 six 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 two-day waiting period for up to 121 days (365 days for tuberculosis and cancer) in a one-year period.

**Maternity benefit:** 100% of the insured's earnings is paid for six weeks before and six weeks after 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 six 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 (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 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 to provide 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 security:** Employees of industrial, commercial, and other types of firms, and household workers with monthly earnings up to 10,000 rupees.

Exclusions: Family laborers and self-employed persons.

**Workmen's compensation:** Employees of firms with at least 10 workers.

Exclusions: Self-employed persons.

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

#### 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**

**Social security:** 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).

**Workmen's compensation:** 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 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 employer pays the cost of any medical examination.

## **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 widower 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):** If there is no eligible widow(er) or orphan, 20% of the deceased's total disability pension is paid to each dependent parent.

All survivor benefits combined must not exceed 100% of the deceased's total disability pension.

**Death grant (social security):** A lump sum of at least 1,500 rupees is paid.

**Survivor grant (workmen's compensation):** A lump sum of 200,000 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 provide a severance payment of the last 30 days of wages for each year of employment.