

Ethiopia

Exchange rate: US\$1.00 = 18.18 birr.

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1963 (public-sector pensions), 2011 (public-sector pensions), and 2011 (private-sector pensions).

Type of program: Social insurance system.

Note: The regulations governing public- and private-sector pensions are identical, but private-sector pensions are administered by a separate agency.

Coverage

Public-sector pensions: Employed Ethiopians in the public sector, including military and police personnel.

Private-sector pensions: Employed Ethiopians in the private sector.

Exclusions: Household workers and employees of international organizations or foreign diplomatic missions.

Voluntary coverage for self-employed persons.

Source of Funds

Insured person: 7% (public and private sectors) of basic salary.

The insured's contributions also finance work injury benefits.

Self-employed person: Voluntary contributions.

Employer: 11% (public sector), 9% (private sector, gradually rising to 11% by 2015), or 25% (military) of payroll.

The employer's contributions also finance work injury benefits.

Government: None; contributes as an employer.

Qualifying Conditions

Old-age pension: Age 60 with at least 10 years of service and contributions. The number of years of service and contributions may be reduced for hazardous or arduous work.

Early pension: Age 55 with at least 25 years of service and contributions (civilian); aged 45 to 55 (depending on rank) with at least 10 years of service and contributions (military).

Old-age settlement: Age 60 and does not meet the qualifying conditions for the old-age pension.

Disability pension: Assessed with an incapacity for normal gainful employment with at least 10 years of service and contributions.

Disability settlement: Assessed with an incapacity for normal gainful employment with less than 10 years of service and contributions.

Survivor pension: The deceased met the service and contribution conditions for the old-age pension or was a pensioner at the time of death.

Eligible survivors include the widow(er), children younger than age 18 (age 21 if disabled), and dependent parents.

The widow(er)'s pension ceases on remarriage if the widow is younger than age 45 (age 50 for a widower, no limit if disabled).

Survivor settlement: The deceased had less than 10 years of service and contributions and was not eligible for a pension.

Eligible survivors include the widow(er) and children younger than age 18 (age 21 if disabled).

Old-Age Benefits

Old-age pension: 30% of the insured's average monthly basic salary in the last three years before retirement plus 1.25% (civilian) or 1.65% (military) of the insured's average monthly basic salary for each year of service exceeding 10 years is paid.

The monthly basic salary is the monthly salary, before taxes, paid for work performed during regular hours.

The minimum monthly pension is 294 birr.

The maximum monthly pension is 70% of the insured's average monthly basic salary.

Early pension: The pension is calculated in the same way as the old-age pension.

Old-age settlement: A lump sum of the insured's basic salary in the month before retirement multiplied by the number of years of service and contributions is paid.

Permanent Disability Benefits

Disability pension: 30% of the insured's average monthly basic salary in the last three years before the disability began plus 1.25% (civilian) or 1.65% (military) of the insured's average monthly basic salary for each year of service exceeding 10 years is paid.

The monthly basic salary is the monthly salary, before taxes, paid for work performed during regular hours.

The maximum monthly pension is 70% of the insured's average monthly basic salary.

Disability settlement: A lump sum of the insured's basic salary in the month before the disability began multiplied by the number of years of service and contributions is paid.

Survivor Benefits

Survivor pension: 50% of the old-age or disability pension the deceased received or was entitled to receive is paid to the widow(er).

Orphan's pension: 20% of the old-age or disability pension the deceased received or was entitled to receive is paid for each eligible orphan; 30% for full orphans.

Dependent parent's pension: 15% of the old-age or disability pension the deceased received or was entitled to receive is paid to each eligible parent; 20% if there are no other eligible survivors.

Survivor settlement: A lump sum is paid to eligible survivors in the same proportion as the other survivor benefits.

All survivor benefits combined must not exceed 100% of the deceased's monthly old-age or disability pension.

Administrative Organization

Public Servants' Social Security Agency, managed by a board and a director general, administers the public-sector pension scheme.

Private Organization Employees' Social Security Agency, managed by a tripartite board, administers the private-sector pension scheme.

Sickness and Maternity

Regulatory Framework

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

The public service amendment proclamation (2002) and the labor proclamation (2003) require employers to provide paid sick leave for up to three months. 100% of earnings is paid for the first month; thereafter, 50% of earnings.

The public service amendment proclamation (2002) and the labor proclamation (2003) require employers to provide paid maternity leave for up to 60 days after childbirth; thereafter, sick leave may be paid if there are complications arising from childbirth.

Medical benefits: A new health insurance system for public- and private-sector workers was approved by parliament in 2010 but has not yet been implemented.

Work Injury

Regulatory Framework

First and current law: 1963 (public-sector pensions), 2011 (public-sector pensions), and 2011 (private-sector pensions).

Type of program: Social insurance system.

Note: The regulations governing public- and private-sector pensions are identical, but private-sector pensions are

administered by a separate agency. The new laws were implemented on June 24, 2011.

The labor proclamation (2003) allows for the provision of private insurance for public-sector employees.

Coverage

Public-sector pensions: Employees in the public sector, including military and police personnel.

Private-sector pensions: Employees in the private sector.

Exclusions: Household workers and employees of international organizations or foreign diplomatic missions.

Voluntary coverage for self-employed persons.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors.

Self-employed person: Voluntary contributions.

Employer: See source of funds under Old Age, Disability, and Survivors.

Government: See source of funds under Old Age, Disability, and Survivors.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

A lump sum of 47% of the insured's monthly basic salary multiplied by five years multiplied by the assessed degree of disability is paid.

The monthly basic salary is the monthly salary, before taxes, paid for work performed during regular hours.

An authorized medical board assesses the degree of disability.

Permanent Disability Benefits

Permanent disability pension: 47% to 70% of the insured's monthly basic salary is paid according to the assessed degree of disability.

An authorized medical board assesses the degree of disability.

If the value of the disability pension is less than or equal to the insured's entitlement to the old-age pension, the old-age pension is paid, up to 70% of the insured's monthly basic salary.

Survivor Benefits

Survivor pension: 50% of the pension the deceased received or was entitled to receive is paid to the widow(er).

The widow(er)'s pension ceases on remarriage if the widow is younger than age 45 (age 50 for a widower, no limit if disabled).

Orphan's pension: 20% of the pension the deceased received or was entitled to receive is paid for each eligible orphan; 30% for full orphans.

Dependent parent's pension: 15% of the pension the deceased received or was entitled to receive is paid to each eligible parent; 20% if there are no other eligible survivors.

Survivor settlement: A lump sum is paid to eligible survivors in the same proportion as the other survivor benefits.

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

Administrative Organization

Public Servants' Social Security Agency, managed by a board and a director general, administers the public-sector pension scheme.

Private Organization Employees' Social Security Agency, managed by a tripartite board, administers the private-sector pension scheme.