

## Zambia

Exchange rate: US\$1.00 = 9.92 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 17,892.16 kwacha.

**Self-employed person:** 10% of covered earnings.

The maximum monthly earnings used to calculate contributions are 17,892.16 kwacha.

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

The maximum monthly earnings used to calculate contributions are 17,892.16 kwacha.

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

#### Qualifying Conditions

**Old-age pension:** Age 55 (age 60 for persons whose insurance period began after August 14, 2015) with at least 180 months of contributions (reduced by 12 months for each year above age 38 for persons aged 39 to 48 on February 1, 2000).

Employment must cease.

Early pension: Age 50 (age 55 for persons whose insurance period began after August 14, 2015) and meets the contribution requirements for an old-age pension.

The pension the insured person is entitled to must exceed the minimum monthly pension in the year of retirement.

Deferred pension: The pension may be deferred up to age 65.

Benefits are payable abroad under reciprocal agreement.

**Retirement settlement:** Age 55 (age 60 for persons whose insurance period began after August 14, 2015) with less than 180 months of contributions.

Benefits are payable abroad under reciprocal agreement.

**Disability pension:** Must be assessed with a permanent loss of working capacity as the result of a physical or mental disability and have at least 60 months of contributions, including at least 12 of the 36 months before the disability began.

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

**Disability settlement:** Must be assessed with a physical or mental disability and be younger than the normal retirement age with less than 60 months of contributions.

Benefits are payable abroad 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 a widow(er) and children younger than age 18 (age 25 if a student, no limit if disabled).

The spouse's pension ceases upon remarriage unless the widow(er) is caring for one or more of the deceased's children.

**Survivor settlement:** The deceased was entitled to receive the retirement or disability settlement.

Eligible survivors include a widow(er), a child of the deceased, or a nominated beneficiary.

**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 under reciprocal agreement.

#### Old-Age Benefits

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

The replacement rate is 0.001111.

The minimum monthly pension is 20% of the national average monthly earnings in the year of retirement.

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.

Deferred pension: Calculated in the same way as the old-age pension.

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

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

### Permanent Disability Benefits

**Disability pension:** The insured's calculated monthly old-age pension or the minimum monthly pension, whichever is greater, is paid. The insured is credited with 1.5% of indexed monthly earnings for each year of work lost from the time the disability began until the normal retirement age.

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

**Disability settlement:** A lump sum of the total adjusted employee and employer contributions 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, a disability pension (using the date of death as the date of disability onset) is paid. If the widow(er) is younger than age 45 and does not have dependent children younger than age 15 with the deceased, a reduced pension is paid for two years.

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

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

**Survivor settlement:** The retirement or disability settlement the deceased was entitled to receive is paid.

**Funeral grant:** A lump sum of 10 times the minimum monthly pension is paid (in order of priority) to a surviving spouse, a parent or sibling, or the person who paid for the funeral.

### Administrative Organization

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

National Pension Scheme Authority ([www.napsa.co.zm/](http://www.napsa.co.zm/)), managed by a tripartite board of trustees and a director general, administers the program through two regional offices and 26 district offices.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1973.

**Current laws:** 1965 (labor code) and 1994 (health).

**Type of program:** Universal (medical benefits) and employer-liability (maternity benefits) system.

### Coverage

**Universal:** Resident citizens of Zambia.

**Employer liability:** Public- and private-sector employees.

Exclusions: Apprentices, casual workers, and military and police personnel.

### Source of Funds

#### Insured person

*Universal:* None.

*Employer liability:* None.

#### Self-employed person

*Universal:* None.

*Employer liability:* Not applicable.

#### Employer

*Universal:* None.

*Employer liability:* The total cost.

#### Government

*Universal:* Subsidizes medical benefits.

*Employer liability:* None; contributes as an employer.

### Qualifying Conditions

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

**Cash maternity benefits (employer liability):** Must have at least two years of employment with the same employer. Must provide a medical certificate from a registered medical practitioner.

**Medical benefits (universal):** There is no minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefits:** No statutory benefits are provided.

**Maternity benefits (employer liability):** 100% of the employee's salary is paid for 12 weeks.

### **Workers' 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 are the same as those for the insured.

### **Administrative Organization**

Ministry of Labour and Social Security (<http://www.mlss.gov.zm/>) provides general supervision for cash maternity benefits.

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

### **Work Injury**

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#### **Regulatory Framework**

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

**Current law:** 1999 (workers' compensation), implemented in 2013.

**Type of program:** Employer-liability system through a public carrier.

#### **Coverage**

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

Special system for certain public-sector employees.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** The total cost; contribution amounts vary according to the assessed degree of risk.

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

#### **Qualifying Conditions**

There is no minimum qualifying period. Must provide medical certification.

#### **Temporary Disability Benefits**

50% of the insured's last monthly covered earnings is paid for up to 24 months.

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 the insured's last monthly covered earnings before 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 a 10% degree of disability 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 an occupational disease 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**

##### **Survivor pension**

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

Remarriage settlement: The spouse's pension ceases upon remarriage and a lump sum of 24 months of the 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, up to eight.

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**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 dependence on the deceased.

Benefit adjustment: Benefits are adjusted periodically.

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

### ***Administrative Organization***

Ministry of Labour 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.

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## ***Unemployment***

### ***Regulatory Framework***

The Minimum Wages and Conditions of Employment Act 2011 regulates severance pay for unlawful dismissal of employees, and lump-sum payments for termination of employment on medical grounds that are certified by a registered medical doctor. In either case, at least two months of basic wages is paid for each completed year of service. Severance pay is otherwise provided only when there is an express agreement between the employer and the employee.