

Papua New Guinea

Exchange rate: US\$1.00 = 3.21 kina.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1980 (provident fund).

Current law: 2000 (superannuation), implemented in 2002.

Type of program: Mandatory occupational retirement system.

Coverage

Employed persons in firms with at least 15 employees.

Voluntary coverage for self-employed persons, employed persons in firms with less than 15 employees (if their employer agrees to join the fund), and noncitizens.

Exclusions: Casual workers with employment contracts of less than three months and household workers.

Source of Funds

Insured person: At least 6% of gross monthly earnings. Additional voluntary contributions of up to 9% of gross monthly earnings are possible.

Self-employed person: At least 20 kina a month.

Employer: At least 8.4% of gross monthly payroll. Additional voluntary contributions of up to 6.6% of gross monthly payroll are possible.

Government: None; contributes as an employer.

Qualifying Conditions

Old-age benefit: Age 55; at any age if permanently emigrating or if unemployed with no contributions in the last 12 months.

Partial withdrawal: At any age if unemployed with no contributions in the last three to 11 months.

Employment must cease.

Housing withdrawal: Must be younger than age 55 with at least five consecutive years of contributions.

Disability benefit: Must be assessed with a total permanent incapacity.

Survivor benefit: Paid to a named survivor when the insured dies before retirement.

Old-Age Benefits

Old-age benefit: A lump sum of total employee and employer contributions plus accrued interest minus previous withdrawals is paid. If permanently emigrating, the amount is paid after 12 months. (If an unemployed insured person has less than 1,000 kina in the account, the total amount can be withdrawn after three months.)

Partial withdrawal: A lump sum of 200 kinas or 50% of the insured's last monthly earnings, whichever is greater, is paid.

Housing withdrawal: Up to 100% of the member's paid contributions may be withdrawn to purchase or build a house or to pay for repairs, maintenance, or extensions to an existing house. Members must make an additional monthly contribution of 2% of gross earnings to repay the loan.

Permanent Disability Benefits

Disability benefit: A lump sum of total employee and employer contributions plus accrued interest minus previous withdrawals is paid.

Survivor Benefits

Survivor benefit: A lump sum of total employee and employer contributions plus accrued interest minus previous withdrawals is paid.

Administrative Organization

Bank of Papua New Guinea (<https://www.bankpng.gov.pg/>) regulates the superannuation funds.

Superannuation funds are responsible for the administration of contributions and benefits and the investment of funds.

Trustees of authorized superannuation funds appoint licensed investment managers and administrators.

Directors, investment managers, and fund administrators oversee the management, investment, and administration of superannuation funds.

Sickness and Maternity

Regulatory Framework

First and current law: 1978 (labor law).

Type of program: Employer-liability system. Cash sickness benefits only.

Note: Limited medical services are provided in government health centers and public hospitals.

Coverage

Private-sector employees.

Exclusions: Self-employed persons, casual workers, and piece workers.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost.

Government: None.

Qualifying Conditions

Cash sickness benefit: Must have been employed for at least six months with the same employer and provide a medical certificate.

Cash maternity benefit: No statutory benefits are provided.

Sickness and Maternity Benefits

Sickness benefit: 100% of the employee's usual earnings is paid for up to 18 days.

Maternity benefit: No paid statutory benefits are provided. Labor law requires employers to provide six months of unpaid maternity leave.

Workers' Medical Benefits

Government clinics and hospitals provide free primary health care to the population.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Department of Labor and Industrial Relations provides general supervision of cash benefits.

Employers pay benefits to employees.

National Department of Health (<http://www.health.gov.pg/>) provides general supervision of medical benefits.

Provincial and local governments administer medical benefits.

Work Injury

Regulatory Framework

First law: 1958.

Current law: 1978 (workers' compensation).

Type of program: Employer-liability system through private carriers.

Coverage

Employed persons, including household workers.

Exclusions: Self-employed persons and casual workers.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost (pays insurance premiums or provides benefits directly to employees).

Government: None; contributes as an employer.

Qualifying Conditions

Must be assessed with a work injury or occupational disease. Accidents that occur while traveling to and from work are covered.

Temporary Disability Benefits

Information is not available.

Permanent Disability Benefits

Permanent disability pension: For a total (100%) disability, 80% of the employee's average weekly earnings is paid.

The minimum annual earnings used to calculate benefits are 625 kina.

The maximum annual earnings used to calculate benefits are 1,875 kina.

The minimum weekly permanent disability pension is 18 kina.

The maximum permanent disability pension is 100% of the employee's earnings or 75 kina plus 10 kina for each dependent child if the employee has a fully or partially dependent spouse (65 kina for a single person), whichever is less.

The maximum employer liability for a total disability is 25,000 kina.

Partial disability: For an assessed degree of disability of less than 100%, a percentage of the full permanent disability pension is paid based on the degree of disability.

Workers' Medical Benefits

Medical benefits include the reasonable cost of treatment, medicine, hospitalization, surgery, transportation, appliances, and specialist treatment, up to a maximum.

Survivor Benefits

Survivor grant: A lump sum of eight times the deceased's annual earnings when the injury occurred or the occupational disease began plus 10 kina a week for each dependent child is paid.

The minimum survivor grant is 8,750 kina plus 10 kina a week for each dependent child.

The maximum survivor grant is 25,000 kina plus 10 kina a week for each dependent child.

The deceased's spouse and children must receive at least 50% of the survivor grant. A court may decide eligibility and the amount paid to each other survivor.

Funeral grant: Up to 750 kina is paid for the cost of the funeral.

Administrative Organization

Department of Labor and Industrial Relations provides general supervision.

Employers insure work injury liability through private carriers.

Unemployment

Regulatory Framework

Superannuation fund members may withdraw a portion of their account balances during periods of unemployment. See Old Age, Disability, and Survivors.