

## Nepal

Exchange rate: U.S.\$1.00 equals 78.05 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1962.

**Current law:** 1996.

**Type of program:** Provident fund system.

#### Coverage

Compulsory coverage for government employees and voluntary coverage for any organization with 10 employees or more.

#### Source of Funds

**Insured person:** 10% of earnings.

**Employer:** 10% of payroll.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** Termination of employment, or retirement.

**Personal accident insurance:** In case of the permanent disability or accidental death of the fund member.

**Survivor benefit:** Death of the fund member.

#### Old-Age Benefits

A lump sum equal to employer and employee contributions, plus 7.25% interest a year with additional profit-sharing benefits for a varying number of years up to 9 years based on the employee's net provident fund balance at the time of retirement and the number of years of employment between April 15, 1996, and retirement.

Drawdown payment: Fund members may draw down up to 60% of total employer and employee contributions after 5 years' contributions. (Funds withdrawn may be deposited again as a lump sum or in installments.)

#### Permanent Disability Benefits

**Personal accident insurance:** A lump sum of 50,000 rupees in case of the permanent disability or accidental death of the fund member.

#### Survivor Benefits

100% of the deceased fund member's lump-sum benefit. The benefit is payable to a named survivor or to the heirs of the deceased.

Funeral grant: 4,000 rupees on the death of the covered fund member.

#### Administrative Organization

Ministry of Finance provides general supervision.

Employees Provident Fund administers the program.

### Work Injury

#### Regulatory Framework

**First law:** 1959.

**Current law:** 1963.

**Type of program:** Employer-liability system involving statutory insurance with a private carrier.

#### Coverage

Employees of factories with 10 workers or more.

Special system for miners.

#### Source of Funds

**Insured person:** None.

**Employer:** Total cost met through the direct provision of benefits or the payment of insurance premiums.

**Government:** None.

#### Qualifying Conditions

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

#### Temporary Disability Benefits

50% of earnings. Benefit is payable from the first day of incapacity.

#### Permanent Disability Benefits

See temporary disability benefits, above.

Partial disability: A lump sum of 2 to 3 years' earnings according to the schedule in law.

#### Survivor Benefits

Two years' earnings payable to dependent family members in installments.

#### Administrative Organization

Labor Department enforces the law.