

## Sri Lanka

Exchange rate: US\$1.00 equals 102.90 rupees.

Note: This information dates from 1999.

### *Old Age, Disability, and Survivors*

#### *Regulatory Framework*

**First and current law:** 1958 (provident fund), with amendments.

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

#### *Coverage*

All employed persons up to age 55 (men) or age 50 (women).

Voluntary coverage for employees older than age 55 (men) or age 50 (women).

Exclusions: Family labor, civil servants, self-employed persons, farmers, and fishermen.

Employees covered by equivalent schemes may contract out.

Special systems for public-sector and local government employees, self-employed persons, farmers, and fishermen.

#### *Source of Funds*

**Insured person:** 8% of monthly earnings; additional voluntary contributions are permitted.

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

**Employer:** 12% of monthly payroll; additional voluntary contributions are permitted.

**Government:** None. (If the investment income of the fund is inadequate to pay any part of the interest payable on contributions, the deficit is met by Parliament but repaid by the fund.)

#### *Qualifying Conditions*

**Old-age benefit:** Age 55 (men) or age 50 (women) and retired from covered employment; at any age if the government closes the place of employment, if emigrating permanently, or for employed women who marry.

Drawdown payment: Drawdown payments are possible.

**Disability benefit:** Must be assessed with a permanent and total incapacity for work.

**Survivor benefit:** Paid if the fund member dies before retirement. The grant is paid to legal heirs or named beneficiaries.

#### *Old-Age Benefits*

**Old-age benefit:** A lump sum is paid equal to total employee and employer contributions, plus interest.

Drawdown payment: Fund members may withdraw funds from their individual account once every 5 years.

Interest rate adjustment: Set periodically by the Monetary Board of the Employees' Provident Fund, the annual interest rate must not be less than 2.5%.

#### *Permanent Disability Benefits*

A lump sum is paid equal to total employee and employer contributions, plus interest.

Interest rate adjustment: Set periodically by the Monetary Board of the Employees' Provident Fund, the annual interest rate must not be less than 2.5%.

#### *Survivor Benefits*

A lump sum equal to total employee and employer contributions, plus interest, is paid to one or more legal heirs or named beneficiaries.

Interest rate adjustment: Set periodically by the Monetary Board of the Employees' Provident Fund, the annual interest rate must not be less than 2.5%.

#### *Administrative Organization*

Ministry of Employment and Labor provides general supervision.

Employees' Provident Fund (<http://www.epf.lk>), under the Ministry of Employment and Labor, administers the program through district offices.

Central Bank of Sri Lanka (<http://www.centralbank.lk>) is responsible for the custody and investment of the financial assets of the Employees' Provident Fund (<http://www.epf.lk>) and for the payment of grants certified by the Commissioner of Labor.

#### *Sickness and Maternity*

##### *Regulatory Framework*

Medical care is available free of charge in government health centers and hospitals.

No statutory sickness and maternity benefits are provided.

Plantations have their own dispensaries and maternity wards and must provide medical care for their employees.

Employees in the plantation sector and certain wage and salary earners are entitled to 84 days of maternity leave before or after childbirth for the first two childbirths and 42 days for subsequent childbirths. The Maternity Benefits Ordinance requires employers to pay maternity benefits at the prescribed rate for 12 weeks for the first two childbirths

(6 weeks for subsequent childbirths), comprising 2 weeks before childbirth and 10 weeks after (2 weeks before and 4 weeks after childbirth for subsequent childbirths). Employed women covered under the Shop and Office Employees' Act get 84 days' paid maternity leave for the first two childbirths and 42 days' paid leave for subsequent childbirths.

## Work Injury

### Regulatory Framework

**First and current law:** 1934 (workmen's compensation), with 1946 and 1990 amendments.

**Type of program:** Employer-liability system. (Voluntary supplementary insurance is possible.)

### Coverage

All workers, including contract workers.

Exclusions: Police and armed forces personnel.

### Source of Funds

**Insured person:** None.

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

**Employer:** The total cost is met through the direct provision of benefits or insurance premiums. Premiums range from 1% to 7.5% of payroll, according to the assessed degree of risk.

**Government:** The total cost of medical benefits.

### Qualifying Conditions

**Work injury benefits:** A minimum 3-day qualifying period for temporary disability; a continuous employment period of 6 months for an occupational disease.

In cases in which the employer voluntarily provides work injury insurance or compensation to workers, the amount of any such benefits paid are deducted from benefits payable under the work injury program.

### Temporary Disability Benefits

50% of wages are paid after a 3-day waiting period, for up to 5 years. After 6 months' entitlement, the benefit may be paid as a lump sum. The benefit is payable abroad under certain conditions if emigrating permanently.

A worker entitled to a temporary disability benefit may be required to be examined by a registered doctor once a month.

The maximum monthly benefit is 5,000 rupees.

### Permanent Disability Benefits

A lump sum is paid that varies according to wage class.

The minimum benefit is 21,168 rupees.

The maximum benefit is 250,000 rupees.

Partial disability: A lump sum ranging between 30% and 100% of compensation.

### Workers' Medical Benefits

Provided in government hospitals free of charge.

### Survivor Benefits

**Survivor benefit:** A lump sum of between 2 and 5 years of the insured's wages, according to wage class, is paid for the death of the insured.

Eligible survivors are the wife, legitimate dependent children, unmarried daughters, and a widowed mother. Other family members may be eligible if totally or partially dependent on the deceased.

The benefit is split among dependent relatives according to the decision of the Commissioner of Workmen's Compensation.

The minimum survivor benefit is 19,404 rupees.

The maximum survivor benefit is 250,000 rupees.

**Funeral grant:** The actual cost of the funeral, deducted from the survivor benefit, subject to a maximum in proportion to the value of the survivor grant (up to 10,000 rupees if survivor grant exceeds 40,000 rupees). The grant is paid to the person who paid for the funeral.

### Administrative Organization

Ministry of Employment and Labor provides general supervision.

Department of Workmen's Compensation administers the program.

## Family Allowances

### Regulatory Framework

**First law:** 1990.

**Current law:** 1995 (low-income families).

**Type of program:** Social assistance system.

### Coverage

Low-income families.

### **Source of Funds**

**Insured person:** 25 rupees per month per family member.

**Self-employed person:** 25 rupees per month per family member.

**Employer:** None.

**Government:** The majority of the costs of the program.

### **Qualifying Conditions**

**Family allowances:** Family earnings must be below 1,000 rupees a month.

### **Family Allowance Benefits**

**Family allowances:** Between 100 rupees and 1,000 rupees is paid monthly, depending on family income and size.

### **Administrative Organization**

Ministry of Agriculture, Livestock, and Samurdhi (Commissioner of Poor Relief) administers the program.