

Papua New Guinea

Exchange rate: U.S.\$1.00 equals 3.75 kina (K).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1980 (provident fund).

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

Type of program: Mandatory individual account system.

Coverage

Employed persons in firms with 20 or more workers.

Coverage is to be extended to agricultural workers in 2003.

Coverage for noncitizens is voluntary.

Exclusions: Casual workers with employment contracts of less than 3 months.

Source of Funds

Insured person: 5% of earnings.

Employer: 7% of payroll.

Government: None.

To equalize contribution rates with those of the public sector, private-sector employee and employer contributions are to be increased to 5.5% and 7.7%, respectively, in 2005 and to 6% and 8.4%, respectively, in 2008.

Qualifying Conditions

Old-age benefit: Age 55 and retirement from covered employment. The full balance is also payable after being unemployed for 12 months or after a 1-year waiting period if permanently emigrating.

Drawdown payments: Members can withdraw up to 60% of their accumulated contributions for the sole purpose of providing housing. This is treated as an advance on benefits. Members must make an additional 2% contribution until the full value of the advance is repaid. Limited periodic drawdowns are also permitted after 3 months of unemployment; if an unemployed fund member has less than K1,000 in his or her account, the total amount can be withdrawn after 3 months.

Disability benefit: Total permanent incapacity.

Survivor benefit: Death of the fund member prior to retirement.

Old-Age Benefits

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

Permanent Disability Benefits

Disability benefit: A lump sum equal to total employee and employer contributions, plus accrued interest.

Survivor Benefits

A lump sum equal to total employee and employer contributions, plus accrued interest. The benefit is payable to a named survivor.

Administrative Organization

Public Employees Association Superannuation Fund Board manages the program.

Bank of Papua New Guinea regulates the superannuation funds and sets prudential standards.

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

Directors, investment managers, and fund administrators are responsible for ensuring that the routine management, investment, and administration of superannuation funds comply with the law.

Sickness and Maternity

Regulatory Framework

Limited medical services are available free of charge or at nominal cost in government clinics and hospitals.

Work Injury

Regulatory Framework

First and current law: 1958.

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

Coverage

All employees.

Source of Funds

Insured person: None.

Employer: Total cost, met through the direct provision or insurance premiums.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Information is not available.

Permanent Disability Benefits

Permanent disability pension: Benefits can be provided through voluntary contributions.

Workers' Medical Benefits

Medical treatment and transportation.

Survivor Benefits

Survivor grant: A lump sum of up to K25,000 according to the insured's earnings and the assessed degree of dependency, payable to the surviving spouse or to other named dependents.

Funeral grant: A lump sum of K1,000 to the insured or the spouse and K500 for a dependent child.

Administrative Organization

Department of Labor and Industry administers the program.