

Pakistan

Exchange rate: US\$1.00 equals 60.50 rupees.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1972, never implemented.

Current law: 1976 (old-age benefits), with 2008 amendment.

Type of program: Social insurance system.

Note: Two social assistance programs provide benefits to needy Pakistani citizens.

Coverage

Employees of firms with 5 or more workers, including banks.

Exclusions: Family labor and self-employed persons.

Special systems for public-sector employees; members of the armed forces; police officers; and employees of statutory bodies, local authorities, and railways.

Source of Funds

Insured person: 1% of the minimum wage.

The minimum wage is 6,000 rupees a month.

Self-employed person: Not applicable.

Employer: 5% of the minimum wage.

The minimum wage is 6,000 rupees a month.

Government: Subsidies as needed.

Qualifying Conditions

Old-age pension: Age 60 (men) or age 55 (women) with at least 15 years of contributions. Retirement from covered employment is not necessary.

Age 55 for miners with at least 10 years of service in mining and at least 15 years of contributions.

Early pension: A reduced pension is paid from ages 55 to 59 (men) or ages 50 to 54 (women).

Old-age grant: Age 60 (men) or age 55 (women). The insured is ineligible for the old-age pension but has at least 2 years of covered employment.

Disability pension: Assessed with a 33% loss in earning capacity. Must have at least 15 years of contributions or 5 years of contributions including 3 out of the last 5 years.

Survivor pension: The deceased had at least 36 months of covered employment or was a pensioner at the time of death.

In order of priority, eligible survivors are the spouse, children younger than age 18 (unmarried daughters at any age), the deceased's parents, and other dependents. The surviving spouse must have been married to the deceased before the deceased reached the minimum pensionable age for the old-age pension.

Old-Age Benefits

Old-age pension: The pension is calculated as 50% of the insured's average monthly earnings in the last 12 months multiplied by the number of years of covered employment.

The minimum old-age pension is 2,000 rupees a month.

Early pension: The full old-age pension is reduced by 0.5% for each month that the pension is taken before age 60 (men) or age 55 (women). The minimum pension is reduced similarly.

Old-age grant: A lump sum of 1 month of earnings for each year of covered employment is paid.

Permanent Disability Benefits

Disability pension: The pension is calculated as 50% of the insured's average monthly earnings in the last 12 months multiplied by the number of years of covered employment.

The minimum old-age pension is 2,000 rupees a month.

Survivor Benefits

Survivor pension: 100% of the deceased's minimum pension is paid to the surviving spouse. In the absence of a surviving spouse, the pension is split equally among eligible orphans. In the absence of eligible orphans and if the surviving spouse dies within 5 years of first receiving the survivor pension, the survivor pension is paid to the deceased's surviving parents for up to 5 years after the death of the insured's spouse; in the absence of surviving parents, the remaining balance of the first 5 years' survivor pension may be paid to a dependent.

The minimum pension is 2,000 rupees.

Administrative Organization

Ministry of Labor, Manpower, and Overseas Pakistanis (<http://www.molm.gov.pk>) provides general supervision.

Employees' Old-Age Benefits Institution (<http://www.eobi.gov.pk>) administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1962 (national law), never implemented.

Current law: 1965 (provincial social security), with 2008 amendment.

Type of program: Social insurance system. Cash and medical benefits.

Coverage

Employees of industrial, commercial, and other establishments with five or more workers earning up to 5,000 rupees a month.

Eligibility for benefits does not cease on leaving covered employment.

Special systems for public-sector employees, members of the armed forces, police officers, local authority employees, and railway employees.

Source of Funds

Insured person: 20 rupees a month.

The employer's contributions also finance work injury benefits.

Self-employed person: Not applicable.

Employer: 6% of monthly payroll.

The maximum earnings for contribution calculation purposes are 10,000 rupees a month.

The employer's contributions also finance work injury benefits.

Government: None.

Qualifying Conditions

Cash sickness benefits: The insured must have at least 90 days of contributions in the last 6 months.

Cash maternity benefits: The insured must have at least 180 days of contributions in the last 12 months.

Medical benefits: The insured must be currently covered.

Sickness and Maternity Benefits

Sickness benefit: The benefit is equal to 75% of the insured's earnings; 100% in cases of tuberculosis and cancer (50% in North-West Frontier Province and Balochistan).

The benefit is paid after a 2-day waiting period in Sindh, North-West Frontier Province, and Balochistan (no waiting period in Punjab) for up to 121 days (365 days for tuberculosis and cancer) in a 1-year period.

Maternity benefit: 100% of the insured's earnings is paid for 12 weeks, including up to 6 weeks before the expected date of childbirth.

Death grant: 1,500 rupees is paid.

Workers' Medical Benefits

Medical services are provided mainly through social security facilities. Benefits include general medical care, specialist care, medicines, hospitalization, maternity care, and transportation.

Benefits are awarded for as long as it is considered necessary or for 6 months after the patient has exhausted entitlement to sickness benefits, whichever period is shorter.

Dependents' Medical Benefits

Medical services are provided mainly through social security facilities. Benefits include general medical care, specialist care, medicines, maternity care, and transportation. Hospitalization for dependents is provided only in cases of maternity, surgery, and cancer.

Administrative Organization

Provincial Labor Department provides general supervision.

Provincial Employees' Social Security Institutions in Punjab, Sindh, North-West Frontier Province, and Balochistan administer the program in each province. The institutions are managed by a tripartite governing body and a commissioner and are authorized to establish their own dispensaries and hospitals or to contract with public and private agencies for provision of medical services.

Work Injury

Regulatory Framework

First law: 1923 (workmen's compensation), implemented in 1924.

Current law: 1965 (provincial social security), with 2008 amendment.

Type of program: Social insurance system.

Note: The 1923 workmen's compensation law remains in force for employees not covered by the 1965 social security law.

Coverage

Social security: Employees of industrial, commercial, and other establishments earning up to 5,000 rupees a month.

Exclusions: Family labor and self-employed persons.

Workmen's compensation: Employees of industrial establishments with 10 or more workers earning up to 6,000 rupees a month.

Exclusions: Family labor and self-employed persons.

Special systems for public-sector employees, members of the armed forces, police officers, local authority employees, and railway employees.

Commercial and industrial establishments with 50 or more employees must provide group insurance for temporary and permanent disability and death benefits for employees earning less than 9,000 rupees a month.

Source of Funds

Insured person

Social security: See source of funds under Sickness and Maternity, above.

Workmen's compensation: None.

Self-employed person

Social security: Not applicable.

Workmen's compensation: Not applicable.

Employer

Social security: See source of funds under Sickness and Maternity, above.

Workmen's compensation: The total cost, including the cost of medical examinations.

Government

Social security: None.

Workmen's compensation: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit

Social security: The benefit is equal to 60% of earnings (100% in Punjab and Sindh). The benefit is paid after a 3-day waiting period for up to 180 days (the waiting period is waived in Punjab).

Workmen's compensation: None.

Permanent Disability Benefits

Permanent disability pension

Social security: For a loss of earning capacity of 67% or more (total disability), the benefit is equal to 75% of earnings (100% in Punjab).

Partial disability: Up to 66% of the total disability benefit is paid, according to the schedule in law.

Workmen's compensation: For a permanent total disability, a lump sum of 200,000 rupees is paid. The cost of any medical examination is paid by the employer.

Workers' Medical Benefits

Medical services are provided mainly through social security facilities. Benefits include general medical care, specialist care, medicines, hospitalization, maternity care, dental care, and transportation.

Benefits are awarded for as long as it is considered necessary or for 6 months after the patient has exhausted entitlement to sickness benefits, whichever period is shorter.

Survivor Benefits

Survivor pension (social security): 60% of the deceased's total disability pension is paid to a widow or a needy disabled widower.

Orphan's pension (social security): Each orphan younger than age 16 receives 20% of the deceased's total disability pension; 40% for a full orphan.

Dependent parent's pension (social security): In the absence of a widow(er) and orphans, each dependent parent receives 20% of the deceased's total disability pension.

The maximum survivor pension is 100% of the deceased's total disability pension.

Death grant (social security): 1,500 rupees is paid.

Survivor grant (workmen's compensation): A lump sum of 100,000 rupees is paid.

Administrative Organization

Social security: Provincial Labor Department provides general supervision.

Provincial Employees' Social Security Institution administers contributions and benefits.

Workmen's compensation: Workmen's compensation commissioners in provinces provide general supervision.

Unemployment

Regulatory Framework

No statutory unemployment benefits are provided.

The labor code requires employers with 20 employees or more to pay a severance payment equal to the last 30 days of wages for each year of employment.