

Papua New Guinea

Exchange rate: US\$1.00 = 2.65 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 15 or more employees.

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

Voluntary coverage for noncitizens and self-employed persons.

Source of Funds

Insured person: 6% of earnings.

Self-employed person: 6% of earnings.

Employer: 8.4% of payroll.

Government: None.

Qualifying Conditions

Old-age benefit: Age 55 and retired from active employment.

A member may make a full withdrawal if unemployed and not contributing for 12 months; a partial withdrawal if unemployed and not contributing for 3 months.

A lump sum is paid at any age after a 1-year waiting period.

Housing drawdown payment: With at least 5 consecutive years of contributions, funds may be drawn down before age 55 to purchase a house or land to build a house, or to pay for repairs, maintenance, or extensions to an existing house.

Disability benefit: The insured must be assessed with a total permanent incapacity.

Survivor benefit: Paid to a named survivor for the death of the insured before retirement.

Old-Age Benefits

Old-age benefit: A lump sum of total employee and employer contributions plus interest is paid.

If an unemployed fund member has less than 1,000 kina in the account, the total amount can be withdrawn after 3 months.

Housing drawdown payment: Members must make an additional 2% contribution until the full value of the advance is repaid.

Permanent Disability Benefits

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

Survivor Benefits

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

Administrative Organization

Bank of Papua New Guinea (<http://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 are responsible for ensuring that the 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.

The 1981 Employment Act requires employers to provide sick leave and maternity leave to employees.

Work Injury

Regulatory Framework

First law: 1958.

Current law: 1978 (workers' compensation).

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

Coverage

All employees, including household workers. (Workers are covered while traveling to and from work.)

Exclusions: Self-employed persons and casual workers.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost; provided benefits directly or pays 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: The weekly pension is 80% of average weekly earnings.

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 pension is 18 kina.

The maximum weekly pension is 75 kina plus 10 kina for each dependent child if the insured has a fully or partially dependent spouse; 65 kina for a single person. The maximum pension is 100% of the insured's earnings.

The maximum employer liability for total disability is 22,000 kina.

Partial disability: A percentage of the full pension is paid according to the assessed loss of earnings.

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

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 8 times the annual earnings of the deceased at the time of injury plus 10 kina a week for each dependent child is paid.

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

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

Eligible survivors include all family members (children younger than age 16) who were totally or partially dependent on the deceased's earnings and any person who by custom has a right to share compensation.

The insured'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 Industry administers the program.