

Ethiopia

Exchange rate: US\$1.00 equals 8.65 birr.

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1963 (public employees), with 1974, 1975, 1996, 1999, and 2003 amendments.

Type of program: Social insurance system.

Coverage

Public-sector employees only, including military and police personnel and employees of government-owned enterprises.

Source of Funds

Insured person: 4% of basic salary.

Self-employed person: Not applicable.

Employer: 6% (civilian) or 16% (military) of payroll.

Government: None, except as an employer.

All of the above contributions also finance work injury benefits.

Qualifying Conditions

Old-age pension: Age 60 with at least 10 years of service and contributions.

Early pension: Age 55 with at least 25 years of contributions (civilian personnel); aged 45 to 54 (depending on rank) with at least 10 years of contributions (military personnel).

Old-age settlement: Age 60 and does not meet the qualifying conditions for the old-age pension.

Disability pension: Incapable of normal gainful employment with at least 10 years of service and contributions.

Disability settlement: Incapable of normal gainful employment with less than 10 years of service and contributions.

Survivor pension: The deceased met the contribution conditions for the old-age pension or was a pensioner at the time of death.

Eligible survivors are the widow(er), children younger than age 18, and dependent parents.

Survivor settlement: Payable if the deceased had less than 10 years of service and contributions and was not eligible for a pension.

Eligible survivors are the widow(er) and children younger than age 18.

Old-Age Benefits

Old-age pension: 30% of the average monthly basic salary during the last 3 years before retirement, plus 1.125% (civilian) or 1.5% (military) of the average monthly basic salary for each year of service beyond 10 years.

The minimum monthly pension is 100 birr.

The maximum monthly pension is 70% of the average monthly basic salary.

Early pension: 30% of the insured's average monthly basic salary during the last 3 years before retirement, plus 1.125% (civilian) or 1.5% (military) of the average monthly basic salary for each year of service beyond 10 years.

Benefit adjustment: The Council of Ministers may adjust pensions every 5 years.

Old-age settlement: A lump sum equal to the basic salary in the month before retirement times the number of years of service.

Permanent Disability Benefits

Disability pension: The pension is equal to 30% of the average monthly basic salary during the last 3 years, plus 1.125% (civilian) or 1.5% (military) of the average monthly basic salary for each year of service beyond 10 years.

The maximum monthly pension is 70% of the insured's average basic salary.

Benefit adjustment: The Council of Ministers may adjust pensions every 5 years.

Disability settlement: A lump sum equal to the basic salary in the month before the onset of disability times the number of years of service.

Survivor Benefits

Survivor pension: 50% of the deceased's monthly pension is payable to the widow(er).

The pension ceases on remarriage.

Orphan's pension: 20% of the deceased's pension each; 30% each for full orphans.

Dependent parent's pension: 15% of the deceased's pension; 20% in the absence of other eligible survivors.

Survivor settlement: A lump sum is paid to each eligible survivor. The lump sum is calculated using the percentage rates used to calculate the survivor pension or orphan's pension.

Benefit adjustment: The Council of Ministers may adjust pensions every 5 years.

Administrative Organization

Office of the Prime Minister provides general supervision.

Managed by a board and general manager, the Social Security Authority administers the program.

Sickness and Maternity

Regulatory Framework

No statutory benefits are provided.

The labor proclamation (2003) and the public service amendment proclamation (2002) require employers to provide paid sick leave for up to 3 months: 100% of earnings is paid for the first month; thereafter, 50% of earnings.

The labor proclamation (2003) and the public service amendment proclamation (2002) require employers to provide paid maternity leave for up to 45 days after childbirth; thereafter, paid sick leave may be paid in case of complications.

Work Injury

Regulatory Framework

First and current law: 1963 (public employees), with 2003 amendment.

Type of program: Social insurance system.

The labor proclamation (2003) allows for the provision of private insurance for public-sector employees.

Coverage

Public-sector employees only, including military and police personnel and employees of government-owned enterprises.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors, above.

Self-employed person: Not applicable.

Employer: See source of funds under Old Age, Disability, and Survivors, above.

Government: See source of funds under Old Age, Disability, and Survivors, above.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

A lump sum equal to 45% of the monthly basic salary multiplied by 5 years times the assessed degree of disability.

Benefit adjustment: The Council of Ministers may adjust benefits every 5 years.

Permanent Disability Benefits

Permanent disability pension: From 45% to 70% of the insured's monthly basic salary, according to the assessed degree of disability.

If the disability pension is less than or equal to the insured's entitlement under the old-age pension, then the old-age pension is paid up to a maximum of 70% of the insured's monthly basic salary.

Benefit adjustment: The Council of Ministers may adjust benefits every 5 years.

Workers' Medical Benefits

No information is available.

Survivor Benefits

Survivor pension: 50% of the deceased's pension is payable to the widow(er).

The pension ceases on remarriage.

Orphan's pension: 20% of the deceased's pension each; 30% each for full orphans.

Dependent parent's pension: 15% of the deceased's pension; 20% in the absence of other eligible survivors.

Benefit adjustment: The Council of Ministers may adjust pensions every 5 years.

Administrative Organization

Office of the Prime Minister provides general supervision.

Managed by a board and general manager, the Social Security Authority administers the program.