

## Pakistan

Exchange rate: US\$1.00 = 104.60 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1972, never implemented.

**Current law:** 1976 (old-age benefits).

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

Note: Pakistan's Constitution was amended in 2010 to devolve social and labour legislation to the provinces. Some provinces have passed legislation but maintain key features of existing federal programs, and federal legislation is still in effect for provinces that have not yet passed legislation. The federal program is detailed here, noting provincial variation where information is available.

#### Coverage

Employees of firms with five or more workers.

Voluntary coverage is available for employees of firms with up to five workers.

Exclusions: Family laborers and self-employed persons.

Special systems for public-sector employees; military and police personnel; and railway employees.

#### Source of Funds

**Insured person:** 1% of the minimum wage (none for residents of Sindh province).

The minimum wage is 14,000 rupees a month in the provinces of Punjab, Islamabad, Capital Territory, Sindh, Khyber Pakhtunkhwa, and Balochistan.

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

**Employer:** 5% of the minimum wage.

The minimum wage is 14,000 rupees a month in the provinces of Punjab, Islamabad, Capital Territory, Sindh, Khyber Pakhtunkhwa, and Balochistan.

**Government:** None.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men), age 55 (women), or age 50 (miners) with at least 15 years of contributions. Retirement from covered employment is not necessary.

Early pension (except in Sindh province): Age 55 (men) or age 50 (women) with at least 15 years of contributions.

**Old-age grant:** Age 60 (men), age 55 (women), or age 50 (miners) with at least two years but less than 15 years of contributions.

**Disability pension:** Must be assessed with a 67% loss in earning capacity and have at least 15 years of contributions or at least five years of contributions including three of the last five years.

**Survivor pension:** The deceased had at least 36 months of contributions or received or was entitled to receive an old-age or disability pension at the time of death.

In order of priority, eligible survivors include spouses, children younger than age 18 (no limit if disabled or for unmarried daughters), 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:** 2% of the insured's average monthly earnings in the last 12 months multiplied by the number of years of contributions is paid.

The minimum monthly old-age pension is 5,250 rupees.

Early pension (except in Sindh province): The pension is reduced by 0.5% for each month that the pension is taken before the normal retirement age.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

**Old-age grant:** A lump sum of one month of the insured's average monthly earnings for each year of contributions is paid.

#### Permanent Disability Benefits

**Disability pension:** 2% of the insured's average monthly earnings in the last 12 months multiplied by the number of years of contributions is paid from the month after the month in which the disability began.

The minimum monthly disability pension is 5,250 rupees.

#### Survivor Benefits

**Survivor pension:** 100% of the minimum pension is paid to, or split equally among, the surviving spouse or spouses. If there is no surviving spouse, the pension is split equally among eligible orphans. If there are no eligible orphans and if the surviving spouse dies within five years of first receiving the survivor pension, the survivor pension is paid to the deceased's surviving parents or other dependents for up to five years after the death of the insured's spouse (or within five years after the death if there is no surviving spouse).

The minimum monthly survivor pension is 5,250 rupees.

### **Administrative Organization**

Ministry of Overseas Pakistanis and Human Resource Development (<http://www.ophrd.gov.pk/>) provides general supervision.

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

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1958 (maternity).

**Current laws:** 1958 (maternity) and 1965 (provincial social security).

**Type of program:** Employer-liability (cash benefits) and social insurance (medical benefits) system.

Note: Pakistan's Constitution was amended in 2010 to devolve social and labour legislation to the provinces. Some provinces have passed legislation but maintain key features of existing federal programs, and federal legislation is still in effect for provinces that have not yet passed legislation. The federal program is detailed here, noting provincial variation where information is available.

#### **Coverage**

**Cash benefits (employer liability):** Employed persons in the public and private sectors.

**Medical benefit (social insurance):** Private-sector employees and household workers with monthly earnings up to 15,000 rupees (18,000 rupees in Punjab province).

Eligibility for benefits does not cease on leaving covered employment.

Exclusions: Family laborers and self-employed persons.

Special systems for public-sector employees; military and police personnel; and employees of local authorities and railways.

#### **Source of Funds**

##### **Insured person**

**Cash benefits (employer liability):** None.

**Medical benefits (social insurance):** None.

##### **Self-employed person**

**Cash benefits (employer liability):** Not applicable.

**Medical benefits (social insurance):** Not applicable.

##### **Employer**

**Cash benefits (employer liability):** The total cost.

**Medical benefits (social insurance):** See source of funds under Work Injury.

### **Government**

**Cash benefits (employer liability):** None.

**Medical benefits (social insurance):** None.

### **Qualifying Conditions**

**Cash sickness benefits (employer liability):** Must have at least 90 days of contributions in the last six months.

**Cash maternity benefits (employer liability):** Must have at least 180 days of contributions in the last 12 months and must have been employed for at least four months before the expected date of childbirth.

**Medical benefits:** There is no minimum qualifying period.

**Maternity medical benefits:** Must have at least 90 days of contributions in the last six months.

### **Sickness and Maternity Benefits**

**Sickness benefit (employer liability):** 75% of the insured's earnings (50% in Khyber Pakhtunkhwa and Balochistan provinces) is paid; 100% for tuberculosis and cancer (50% in Khyber Pakhtunkhwa and Balochistan provinces). The benefit is paid after a two-day waiting period for up to 121 days (365 days for tuberculosis and cancer) in a one-year period.

**Maternity benefit (employer liability):** 100% of the insured's earnings is paid for six weeks before and six weeks after the expected date of childbirth.

### **Workers' Medical Benefits**

**Medical benefits:** Social security facilities provide medical services. Benefits include general medical care, specialist care, medicine, hospitalization, and transportation.

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

**Maternity medical benefits:** Prenatal and postnatal care is provided for a total of 12 weeks.

### **Dependents' Medical Benefits**

Social security facilities provide medical services. Benefits include general medical care, specialist care, medicine, hospitalization (for maternity, surgery, and cancer only), maternity care, and transportation.

Eligible dependents include the insured's wives or a dependent, disabled husband; dependent, unmarried children up to age 21; and dependent parents.

### **Administrative Organization**

Provincial Labour Department provides general supervision.

Provincial Employees' Social Security Institutions, managed by a tripartite governing body and a commissioner, administer the program in each province. Each institution may establish its own dispensary hospital or contract with a public or private agency for medical services.

## Work Injury

### Regulatory Framework

**First and current laws:** 1923 (workmen's compensation), implemented in 1924, and 1965 (provincial social security).

**Type of program:** Social insurance and employer-liability system.

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

Pakistan's Constitution was amended in 2010 to devolve social and labour legislation to the provinces. Some provinces have passed legislation but maintain key features of existing federal programs, and federal legislation is still in effect for provinces that have not yet passed legislation. The federal program is detailed here, noting provincial variation where information is available.

### Coverage

**Social insurance:** Employees and household workers with monthly earnings up to 15,000 rupees (18,000 rupees in Punjab province).

Exclusions: Family laborers and self-employed persons.

Special systems for public-sector employees; military and police personnel; and employees of local governments and railways.

**Employer liability:** Employees of firms with at least 10 workers.

Exclusions: Self-employed persons.

Special systems for public-sector employees; military and police personnel; and employees of local authorities and railways.

### Source of Funds

#### Insured person

*Social insurance:* None.

*Employer liability:* None.

#### Self-employed person

*Social insurance:* Not applicable.

*Employer liability:* Not applicable.

#### Employer

*Social insurance:* 6% of monthly payroll.

The employer's contributions also finance Sickness and Maternity benefits.

*Employer liability:* The total cost.

#### Government

*Social insurance:* None.

*Employer liability:* None.

### Qualifying Conditions

There is no minimum qualifying period.

### Temporary Disability Benefits

**Temporary disability benefit (social insurance):** 60% of earnings (100% in Punjab and Sindh) is paid for up to 180 days.

**Temporary disability benefit (employer liability):** 50% of monthly earnings is paid for up to one year; for lung disease, 33% of monthly earnings for up to five years.

### Permanent Disability Benefits

**Permanent disability pension (social insurance):** For a total disability (loss of earning capacity of 67% or more), 75% of monthly earnings (100% in Punjab) is paid.

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

#### Permanent disability benefit (employer liability):

For a total disability, a lump sum of 200,000 rupees (300,000 rupees in Khyber Pakhtunkhwa, 400,000 rupees in Punjab, and 500,000 rupees in Sindh) is paid.

### Workers' Medical Benefits

Social security facilities provide medical services. Benefits include general medical care, specialist care, medicine, hospitalization, maternity care, and transportation.

There is no limit to the duration of benefits.

### Survivor Benefits

**Spouse's pension (social insurance):** 60% of the total disability pension the deceased received or was entitled to receive is paid to a widow or a needy widower with a disability.

**Orphan's pension (social insurance):** 20% of the total disability pension the deceased received or was entitled to receive is paid to each orphan younger than age 16 (age 21 in Sindh, no limit for unmarried daughters); 40% for a full orphan.

**Dependent parent's pension (social insurance):** If there is no eligible widow(er) or orphan, 20% of the total disability pension the deceased received or was entitled to receive is paid to each dependent parent.

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All survivor benefits combined must not exceed 100% of the total disability pension the deceased received or was entitled to receive.

**Death grant (social insurance):** A lump sum of 30 days of sickness benefit is paid.

The minimum death grant is 1,500 rupees.

**Survivor grant (employer liability):** A lump sum of 200,000 rupees (300,000 rupees in Khyber Pakhtunkhwa, 400,000 rupees in Punjab, and 500,000 rupees in Sindh) is paid.

**Iddat grant:** The deceased's last full daily wage is paid for 130 days to widows or divorced women.

### **Administrative Organization**

**Social insurance:** Provincial Labour Department provides general supervision.

Provincial Employees' Social Security Institutions in each province administer contributions and benefits.

**Employer liability:** Workmen's compensation commissioners in each province provide general supervision.

### **Unemployment**

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#### **Regulatory Framework**

No statutory unemployment benefits are provided.

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

### **Family Allowances**

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#### **Regulatory Framework**

**First and current laws:** 1991 (family allowances) and 2010 (family allowances).

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

Note: Additional financial assistance and medical treatment is also provided through the Bait-ul-Mal Program to needy persons who do not receive benefits from other social welfare agencies.

### **Coverage**

Citizens of Pakistan.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### **Qualifying Conditions**

**BISP family allowance (means tested):** Paid to needy families.

**BISP child education benefit (means tested):** Paid to families with children aged 5 to 12 to assist with primary education costs. Each child must pass an admission verification test in the first quarter and maintain a school attendance rate of at least 70%.

**PBM child education benefit (means tested):** Paid to families with children aged 5 to 16 to assist with primary education costs. Families must meet certain other conditions.

### **Family Allowance Benefits**

**BISP family allowance (means tested):** 4,700 rupees a quarter is paid.

**BISP child education benefit (means tested):** 750 rupees a quarter is paid for each child.

**PBM child education benefit (means tested):** 300 rupees a month is paid to families with one child; 600 rupees a month to families with at least two children.

### **Administrative Organization**

The Benazir Income Support Program (<http://www.bisp.gov.pk/>) and the Pakistan Bait-ul-Mal (<http://www.pbm.gov.pk/>) pay benefits.