

## India

Exchange rate: US\$1.00 = 67.40 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1952 (employees' provident funds), 1972 (payment of gratuity), 1976 (employees' deposit-linked insurance), 1995 (employees' pension scheme), 1995 (national social assistance program), 2008 (unorganized workers' social security), and 2013 (pension fund regulatory and development authority).

**Type of program:** Provident fund, social insurance, employer-liability, and social assistance system.

Note: A funeral grant is paid under Sickness and Maternity.

#### Coverage

**Provident fund and survivor (deposit-linked) insurance scheme:** Employees, including those engaged in casual, part-time, daily wage, and contract work, with monthly wages of 15,000 rupees or less working in firms with at least 20 workers in one of 186 categories of covered industry (the firm remains covered even if the number of employees falls below 20); employees of other types of businesses specified by law, including cooperatives with more than 50 employees.

Voluntary coverage for employees of covered firms with monthly wages of more than 15,000 rupees, with the employer's agreement; and for employees of firms with fewer than 20 workers if the employer and a majority of employees agree to contribute.

Exclusions: Self-employed persons, agricultural workers, and members of cooperatives with fewer than 50 workers.

Employees covered by equivalent occupational private plans may opt out.

**Pension scheme (social insurance):** Employees who became members of the provident fund on or after November 16, 1995.

Voluntary coverage is available.

Exclusions: Self-employed persons, agricultural workers, and members of cooperatives with fewer than 50 workers.

**Gratuity scheme (employer liability):** Employees of factories, mines, oil fields, plantations, ports, railways, and businesses with at least 10 workers.

Exclusions: Self-employed persons, agricultural workers, and members of cooperatives with fewer than 50 workers. There is no coverage in the states of Jammu and Kashmir.

Special systems for coal miners, railway employees, and public-sector employees.

**Social assistance:** Needy older persons and poor households.

Separate informal-sector schemes exist for certain artisans and the rural landless.

#### Source of Funds

##### Insured person

**Provident fund:** 12% of basic wages (10% in specified categories of industry; businesses covered prior to September 22, 1997, with fewer than 20 employees; and some other specific cases).

The maximum monthly wages used to calculate contributions are 15,000 rupees.

**Survivor (deposit-linked) insurance scheme (social insurance):** None.

**Pension scheme (social insurance):** None.

**Gratuity scheme (employer liability):** None.

**Social assistance:** None.

##### Self-employed person

**Provident fund:** Not applicable.

**Survivor (deposit-linked) insurance scheme (social insurance):** Not applicable.

**Pension scheme (social insurance):** Not applicable.

**Gratuity scheme (employer liability):** Not applicable.

**Social assistance:** None.

##### Employer

**Provident fund:** 3.67% of monthly payroll plus 0.85% of monthly payroll for administrative costs.

**Survivor (deposit-linked) insurance scheme (social insurance):** 0.5% of monthly payroll plus 0.01% of monthly payroll for administrative costs.

The maximum monthly wages used to calculate contributions are 15,000 rupees.

**Pension scheme (social insurance):** 8.33% of monthly payroll.

The maximum monthly wages used to calculate contributions are 15,000 rupees.

**Gratuity scheme (employer liability):** An average of 4% of monthly payroll.

**Social assistance:** None.

### Government

*Provident fund:* None.

*Survivor (deposit-linked) insurance scheme (social insurance):* None.

*Pension scheme (social insurance):* 1.16% of the insured's basic wages.

The maximum monthly wages used to calculate contributions are 15,000 rupees.

*Gratuity scheme (employer liability):* None.

*Social assistance:* The total cost.

### Qualifying Conditions

#### Old-age benefits

*Old-age benefit (provident fund):* Age 58 and retired from covered employment; at any age if permanently emigrating, if covered employment ends involuntarily, on the termination of service under a voluntary retirement scheme, on changing employment from an establishment covered by the scheme to one that is not, or after two months of unemployment.

*Drawdown payment:* Partial drawdown is permitted before retirement for special purposes, including paying for life insurance, purchasing or building a home, loan repayment, a child's education or marriage, care costs for a serious illness, damage from a natural disaster, or costs relating to the onset of a disability.

Under certain circumstances, the full amount can be drawn down before age 58.

*Old-age pension (social insurance):* Age 58 with at least 10 years of coverage.

*Deferred pension:* The pension may be deferred up to age 60.

*Partial pension:* Age 58 with less than 10 years of coverage.

*Early pension:* Age 50 with at least 10 years of coverage.

Employment must cease.

*Old-age benefit (gratuity scheme):* Must have at least five years of continuous employment.

*Old-age pension (social assistance):* Age 60 and assessed as needy.

#### Disability benefits

*Disability benefit (provident fund):* Assessed with a permanent and total incapacity for normal work.

*Disability pension (social insurance):* Assessed with a permanent and total disability as the result of an occupational injury and has at least one month of contributions.

*Disability benefit (gratuity scheme):* Assessed with a disability caused by a disease or an accident.

*Disability pension (social assistance):* Aged 18 or older, needy, and with an assessed disability of at least 80%.

#### Survivor benefits

*Survivor benefit (provident fund):* Paid to named family members, other named beneficiaries, or legal heirs if the fund member dies before withdrawing the full account balance.

*Survivor (deposit-linked) insurance scheme (social insurance):* Paid to named beneficiaries, family members, or legal heirs if the fund member dies before withdrawing the full account balance.

*Survivor pension (social insurance):* Paid to a widow(er) and up to two children younger than age 25 (no limit with a total and permanent disability) if the deceased had at least one month of contributions, regardless of whether the deceased was employed or retired at the time of death.

The pension ceases on remarriage.

If there is no surviving widow(er) or orphan, the pension is paid to a named survivor or a dependent parent.

*Survivor benefit (gratuity scheme):* Paid if the insured dies as the result of an illness or an accident.

*Widow's pension (social assistance):* Paid to needy widows aged 40 or older.

*Survivor grant (social assistance):* Paid to needy households (under the National Family Benefit Scheme) when the primary breadwinner aged 18 to 64 dies.

#### Old-Age Benefits

**Old-age benefit (provident fund):** A lump sum of total employee and employer contributions plus accrued interest minus drawdown payments is paid.

*Drawdown payment:* According to circumstances, the value of the minimum payment varies from one month of wages to total employee and employer contributions plus accrued interest minus previous drawdown payments.

**Old-age pension (social insurance):** A monthly pension is paid based on a member's pensionable service and wage. The minimum monthly pension is 1,000 rupees.

*Deferred pension:* The basic pension is increased by 4% after one year of deferral; 8.16% after two years.

*Partial pension:* A lump sum of total employee and employer contributions plus accrued interest minus drawdown payments is paid.

*Early pension:* The basic pension is reduced by 4% for each year that retirement is taken before age 58.

*Benefit adjustment:* The pension is adjusted annually by the central government according to an actuarial evaluation.

**Old-age benefit (gratuity scheme):** A lump sum of 15 days of wages for each year of continuous service is paid

(a reduced amount is paid for partial years exceeding six months).

The maximum lump-sum benefit is 400,000 rupees.

For seasonal employees, employers pay at the rate of seven days of wages for each season worked.

**Old-age pension (social assistance):** A basic pension of 200 rupees a month is paid if aged 60 to 79; 500 rupees if aged 80 or older. Additional amounts may be paid and vary by state.

### Permanent Disability Benefits

**Disability benefit (provident fund):** A lump sum of total employee and employer contributions plus accrued interest minus drawdown payments is paid.

**Disability pension (social insurance):** A monthly pension is paid based on the member's pensionable earnings or a lump sum of total employee and employer contributions plus accrued interest.

The minimum monthly wages used to calculate benefits are 250 rupees.

The minimum monthly disability pension is 1,000 rupees.

Benefit adjustment: The pension is adjusted annually by the central government according to an actuarial evaluation.

**Disability benefit (gratuity scheme):** A lump sum of 15 days of the insured's last daily wage is paid for each year of continuous service before the disability began (a reduced amount is paid for partial years exceeding six months).

The maximum lump-sum benefit is 350,000 rupees.

For seasonal employees, employers pay the gratuity at the rate of seven days of wages for each season worked.

**Disability pension (social assistance):** A basic monthly pension of 300 rupees is paid; 500 rupees if aged 80 or older. Additional amounts may be paid and vary by state.

### Survivor Benefits

**Survivor benefit (provident fund):** A lump sum of total employee and employer contributions plus accrued interest minus drawdown payments is paid to a named survivor or split equally among all eligible family members.

Death grant: A lump sum of up to 2,000 rupees is paid.

**Survivor (deposit-linked) insurance scheme (social insurance):** A lump sum is paid of the average balance of the deceased's provident fund account during the 12 months before death or during the period of membership, whichever is less.

The maximum lump-sum benefit is 600,000 rupees. The benefit is paid in addition to the provident fund survivor benefit.

**Spouse's pension (social insurance):** 50% of the old-age or disability pension the deceased received or was entitled to receive is paid.

The minimum monthly spouse's pension is 450 rupees.

**Orphan's pension (social insurance):** 25% of the spouse's pension is paid; 75% for full orphans.

The minimum monthly orphan's pension is 150 rupees (250 rupees for full orphans).

**Other eligible survivors (social insurance):** Up to 75% of the old-age or disability pension the deceased received or was entitled to receive is paid.

Benefit adjustment: The pension is adjusted annually by the central government according to an actuarial evaluation.

**Survivor benefit (gratuity scheme):** A lump sum of 15 days of the deceased's last daily wage is paid for each year of continuous service (a reduced amount is paid for partial years exceeding six months).

The maximum lump-sum benefit is 350,000 rupees.

When seasonal employees die, employers pay the gratuity at the rate of seven days of wages for each season worked.

**Widow's pension (social assistance):** A monthly pension of 300 rupees is paid; 500 rupees if aged 80 or older.

**Survivor grant (social assistance):** A lump sum of 20,000 rupees is paid.

### Administrative Organization

Ministry of Labour and Employment (<http://www.labour.nic.in/>) provides general supervision for most schemes.

Employees' Provident Fund Organisation (<http://www.epfindia.com/>) administers the provident fund program through regional, subregional, inspectorate, and subaccount offices.

Central Board of Trustees of the Employees' Provident Fund, through a tripartite body comprising representatives of government, employers, and employees, administers the funds.

Central and state authorities administer the gratuity scheme.

Ministry of Rural Development (<http://rural.nic.in/>) provides general supervision for social assistance schemes.

National Social Assistance Programme administers social assistance old-age pension, disability and survivor schemes.

### Sickness and Maternity

#### Regulatory Framework

**First and current laws:** 1948 (employees' state insurance), 1995 (social assistance), and 2008 (unorganized workers' social security).

**Type of program:** Social insurance and social assistance system.

Note: Under a 1961 law (Maternity Benefit Act), implemented in 1963, employers provide maternity benefits to employees in factories and establishments not covered by the Employees' State Insurance Act of 1948.

### Coverage

**Social insurance:** Employees earning from 137 rupees a day to 21,000 rupees a month (up to 25,000 rupees a month if disabled) and working in a factory or firm with at least 10 workers (20 workers in certain industries).

Employees working for government-run firms covered by equivalent private plans may opt out.

Coverage is being extended gradually, with 851 industrial centers currently covered. (The scheme has not been implemented in the state of Arunachal Pradesh.)

Voluntary coverage for medical benefits is available to previously insured retired persons with at least five years of contributions or who are permanently disabled due to work injury.

Exclusions: Self-employed persons, seasonal workers (less than seven months a year), agricultural workers, and workers in certain other sectors.

**Social assistance:** Needy women.

A national health insurance scheme covers qualified hospitalization and transport costs for needy individuals in most states.

Separate informal-sector schemes exist for certain artisans.

### Source of Funds

#### Insured person

*Social insurance:* 1% of wages.

The insured person's contributions also finance work injury benefits and the unemployment allowance.

Voluntarily insured persons pay a flat-rate of 10 rupees a month (medical benefits).

*Social assistance:* None.

#### Self-employed person

*Social insurance:* Not applicable.

*Social assistance:* None.

#### Employer

*Social insurance:* 3% of payroll.

The employer's contributions also finance work injury benefits and the unemployment allowance.

*Social assistance:* None.

### Government

*Social insurance:* State governments pay 12.5% of the cost of medical benefits.

State government contributions also finance work injury medical benefits and the cost of necessary medical care for unemployment allowance beneficiaries and their dependents.

*Social assistance:* The total cost.

### Qualifying Conditions

**Cash sickness benefits (social insurance):** Must have been in insured employment for at least 78 days during a six-month period before the incapacity began, or 156 days during a two-year period if diagnosed with specified long-term diseases.

Extended sickness benefit: Younger than age 60, diagnosed with any of 34 malignant and long-term diseases, and has exhausted normal cash sickness benefits. Must have been in insured employment for at least 156 days during the last two years, with at least 78 days of contributions during a six-month period before the incapacity began.

**Cash maternity benefits (social insurance):** Must have been in insured employment for at least 70 days during two designated and consecutive six-month periods. Paid to an insured woman or the wife of an insured man.

Confinement grant: Paid to an insured woman or the wife of an insured man who gives birth in a health facility not registered with the Employees' State Insurance Corporation.

**Janani Suraksha Yojana maternity grant (social assistance):** Paid to needy women aged 19 or older who give birth in a government health facility.

**Medical benefits (social insurance):** Must be currently in insured employment or qualify for cash sickness benefits.

**Funeral grant (social insurance):** Paid when the insured dies.

### Sickness and Maternity Benefits

**Cash sickness benefit (social insurance):** 70% of the insured's average daily wage is paid after a two-day waiting period for up to 91 days in any two consecutive designated six-month periods.

80% of the insured's average daily wage for up to 124 days during a two-year period for specified long-term diseases.

Family planning (sterilization): 100% of the average daily wage is paid for seven days (men) or 14 days (women); may be extended if there are complications.

Extended sickness benefit: 80% of the insured's average daily wage is paid for 124 days; may be extended to 309 days under certain circumstances and up to two years with a recommendation from the medical board.

**Cash maternity benefit (social insurance):** 100% of the insured's average wage, according to wage class, is paid for up to 26 weeks (including up to six weeks before the expected date of childbirth); 12 weeks for two or more children; six weeks in the case of a miscarriage. The benefit may be extended by four weeks for medical reasons.

The minimum daily benefit is 25 rupees.

Confinement grant: A lump sum of 5,000 rupees is paid.

**Janani Suraksha Yojana cash maternity grant (social assistance):** A lump sum of 600 rupees to 1,400 rupees is paid, depending on the geographic area. The grant is limited to two live births in states designated as high performing.

**Funeral grant (social insurance):** A lump sum of up to 10,000 rupees for the cost of the funeral is paid to the dependents or to the person who performs the last rites.

### **Workers' Medical Benefits**

Medical care is provided in different states through social insurance dispensaries and hospitals, state government services, or private doctors under contract. Benefits include outpatient treatment, specialist consultations, hospitalization, surgery and obstetric care, imaging and laboratory services, and transportation. Drugs, dressings, artificial limbs, aids, and appliances are provided free of charge.

Benefits are provided for three months to three years, according to the insured's contribution record.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured. Eligible dependents include a spouse, children up to age 21 (age 25 if a student, no limit if disabled or an unmarried daughter), a widowed mother, and dependent parents who meet an income test.

### **Administrative Organization**

Ministry of Labour and Employment (<http://www.labour.nic.in/>) provides general supervision.

Employees' State Insurance Corporation (<http://www.esic.nic.in/>), managed by a tripartite board and a Director General, administers the social insurance program through regional and local offices.

State governments oversee the provision of medical benefits through agreement with and reimbursement by the Employees' State Insurance Corporation, except in the National Capital Territory of Delhi and model hospitals where the Corporation provides medical benefits directly.

Employees' State Insurance Corporation oversees the provision of medical benefits in some cases.

The Ministry of Health and Family Welfare (<http://www.mohfw.nic.in/>), administers the social assistance scheme.

## **Work Injury**

### **Regulatory Framework**

**First law:** 1923 (workmen's compensation).

**Current law:** 1948 (employees' state insurance).

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

### **Coverage**

Employees earning from 137 rupees a day to 21,000 rupees a month (up to 25,000 rupees a month if disabled) and working in a factory or firm with at least 10 workers (20 workers in certain industries).

Employees working for government-run firms covered by equivalent private plans may opt out.

Coverage is being extended gradually, with 790 industrial centers currently covered. (The scheme has not been implemented in the state of Arunachal Pradesh.)

Exclusions: Self-employed persons, seasonal workers (less than seven months a year), agricultural workers, and workers in certain other sectors.

### **Source of Funds**

**Insured person:** See source of funds under Sickness and Maternity.

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

**Employer:** See source of funds under Sickness and Maternity.

**Government:** See source of funds under Sickness and Maternity.

### **Qualifying Conditions**

There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered.

### **Temporary Disability Benefits**

90% of the insured's average daily wage is paid for the duration of the disability (must last at least three days).

There is no maximum duration of payments.

### **Permanent Disability Benefits**

**Permanent disability pension:** A pension is paid according to the assessed loss of earning capacity.

Separate medical boards assess the loss of earning capacity resulting from a work injury or an occupational disease, and determine the duration of payments.

The maximum daily benefit is the temporary disability benefit.

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If the daily benefit is 10 rupees or less and the total value of the benefit does not exceed 60,000 rupees, the benefit may be paid as a lump sum.

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

**Benefit adjustment:** The Employees' State Insurance Corporation periodically reviews benefits and adjusts them for inflation.

### **Workers' Medical Benefits**

Services are provided in different states through social insurance dispensaries and hospitals, state government services, or private doctors under contract. Benefits include outpatient treatment; specialist consultations; hospitalization; surgery; obstetric care; imaging and laboratory services; transportation; and free medicine, dressings, artificial limbs, aids, and appliances.

### **Survivor Benefits**

**Spouse's pension:** 60% of the disability pension the deceased received or was entitled to receive is paid to the widow(er). If there is more than one widow, the benefit is split equally.

**Orphan's and widowed mother's pension:** 40% of the disability pension the deceased received or was entitled to receive is paid for an orphan younger than age 25 (no limit if disabled or an unmarried daughter) and widowed mother.

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

**Other eligible survivors:** If there is no widow(er), orphan, or widowed mother, up to 40% of the disability pension the deceased received or was entitled to receive is paid to other eligible survivors including the deceased's father, widowed mother in-law, grandparents, and other dependents younger than age 18 (no limit if an unmarried female).

The minimum monthly benefit is 1,200 rupees for each family.

**Funeral grant:** A lump sum of up to 10,000 rupees for the cost of the funeral is paid to the oldest member of the family or to the person who pays for the funeral.

### **Administrative Organization**

Ministry of Labour and Employment (<http://www.labour.nic.in/>) provides general supervision.

Employees' State Insurance Corporation (<http://www.esic.nic.in/>), managed by a tripartite board and a Director General, administers the program through regional and local offices.

State governments oversee the provision of medical benefits through agreement with and reimbursement by the Employees' State Insurance Corporation.

Employees' State Insurance Corporation oversees the provision of medical benefits in some cases.

## **Unemployment**

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### **Regulatory Framework**

**First and current laws:** 1948 (state insurance) and 2005 (rural employment guarantee).

**Type of program:** Social insurance and social assistance system.

### **Coverage**

**Social insurance:** Employees earning from 137 rupees a day to 21,000 rupees a month (up to 25,000 rupees a month if disabled) and working in a factory or firm with at least 10 workers (20 workers in certain industries).

Exclusions: Self-employed persons.

**Social assistance:** Households in qualified rural areas.

### **Source of Funds**

#### **Insured person**

**Social insurance:** See source of funds under Sickness and Maternity.

**Social assistance:** None.

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

**Social insurance:** Not applicable.

**Social assistance:** None.

#### **Employer**

**Social insurance:** See source of funds under Sickness and Maternity.

**Social assistance:** None.

#### **Government**

**Social insurance:** See source of funds under Sickness and Maternity.

**Social assistance:** The total cost is funded by state governments.

### **Qualifying Conditions**

**Unemployment allowance (social insurance):** Must have at least two years of contributions. Unemployment must be due to the closure of the factory or firm, retrenchment, or an assessed nonwork-related disability of at least 40%.

**National Rural Employment Guarantee scheme (social assistance):** A member of the household must volunteer to do unskilled manual work in qualified rural areas.

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### ***Unemployment Benefits***

**Unemployment allowance (social insurance):** 50% of the insured's average daily wage during the two years preceding unemployment is paid for up to one year; 25% for up to one additional year.

Free medical care is also provided to beneficiaries and their dependents.

**National Rural Employment Guarantee scheme (social assistance):** At least 100 days of unskilled manual work at minimum wage are guaranteed.

### ***Administrative Organization***

Employees' State Insurance Corporation (<http://www.esic.nic.in/>), managed by a tripartite board and a Director General, administers the program through regional and local offices.

Ministry of Rural Development administers the National Rural Employment Guarantee (<http://www.nrega.nic.in/>).