

Sri Lanka

Exchange rate: US\$1.00 = 158.20 rupees.

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1958 (provident fund) and 1980 (trust fund).

Type of program: Provident fund and trust fund system.

Note: Employers in the public and private sector make monthly contributions to a trust fund owned and managed by employees. The fund invests in a range of asset types and provides supplemental old-age, disability and survivor benefits.

Coverage

Provident fund: Private-sector employees.

Exclusions: Self-employed persons, family labor, civil servants, farmers, and fishermen.

Employees covered by equivalent pension plans may contract out.

Special systems for public-sector and local government employees, farmers, and fishermen.

Trust fund: Public- and private-sector employees, including apprentices and casual, temporary, contract, and piece-rate workers.

Voluntary coverage for self-employed persons and migrant workers.

Exclusions: Household workers, persons working in small charitable institutions and for religious organizations, and family labor.

Source of Funds

Insured person

Provident fund: 8% of monthly earnings; additional voluntary contributions are possible.

Trust fund: None.

Self-employed person

Provident fund: Not applicable.

Trust fund: At least 500 rupees a month; additional voluntary contributions are possible.

Employer

Provident fund: 12% of monthly payroll.

Trust fund: 3% of monthly payroll.

Government

Provident fund: None.

Trust fund: None; contributes as an employer.

Qualifying Conditions

Old-age benefit (provident fund): Age 55 (men) or age 50 (women) and retired from covered employment; at any age if the government closes the place of employment, if emigrating permanently, or for employed women who marry.

Early withdrawal: Partial withdrawals can be made to cover certain housing and medical costs. The fund member must be younger than the normal retirement age, be currently employed, have at least 10 years of contributions, and have an account balance of at least 3,000 rupees.

Loan program: A fund member can take loans against his or her account balance to purchase or build a house; finance repairs, maintenance, or extensions to an existing house; or reduce monthly mortgage payments.

Old-age benefit (trust fund): Age 60 or older and retired from covered employment; at any age if the fund member retires, resigns, is dismissed, changes employers, permanently emigrates, or becomes entitled to any other government pension.

Disability benefit (provident fund): Must be assessed with a permanent and total incapacity for work and have ceased employment due to the disability.

Disability benefit (trust fund): Must be assessed with a permanent and total disability for work and have ceased employment due to the disability.

Survivor benefit (provident fund): Paid to legal heirs or named beneficiaries if the fund member dies before retirement.

Survivor benefit (trust fund): Paid to legal heirs, the executor of the will, or named survivors if a fund member dies before withdrawing his or her full account balance.

Death grant (trust fund): Paid to legal heirs, the executor of the will, or named survivors when a fund member with at least one year of contributions dies.

Old-Age Benefits

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

The interest rate is 10.5% a year.

Interest rate adjustment: The Monetary Board of the Employees' Provident Fund sets the interest rate periodically. The annual interest rate must be at least 2.5%.

Early withdrawal: Up to 30% of the account balance may be withdrawn to purchase property, build a house, pay mortgages, or pay necessary medical expenses. The fund

member may make a second withdrawal of up to 30% of the account balance after a 10-year waiting period from the date of the first withdrawal.

Loan program: Up to 75% of the fund member's account balance may be used as collateral against a loan from an approved lending institution.

Old-age benefit (trust fund): A lump sum of total employee contributions plus dividends and accrued interest is paid.

The benefit is paid after a five-year waiting period if the fund member changes employers.

Permanent Disability Benefits

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

The interest rate is 10.5% a year.

Interest rate adjustment: The Monetary Board of the Employees' Provident Fund sets the interest rate periodically. The annual interest rate must be at least 2.5%.

Disability benefit (trust fund): A lump sum of total employee and employer contributions plus dividends and accrued interest is paid.

Survivor Benefits

Survivor benefit (provident fund): A lump sum of total employee and employer contributions plus accrued interest minus previous withdrawals is split among eligible survivors.

The interest rate is 10.5% a year.

Interest rate adjustment: The Monetary Board of the Employees' Provident Fund sets the interest rate periodically. The annual interest rate must be at least 2.5%.

Survivor benefit (trust fund): A lump sum of total employee and employer contributions plus dividends and accrued interest is paid.

Death grant (trust fund): A lump sum of 100,000 rupees is paid.

Administrative Organization

Department of Labour (<http://www.labourdept.gov.lk/>) under the Ministry of Labour and Trade Union Relations (<http://www.labourmin.gov.lk/>), provides general supervision of the provident fund program.

Employees' Provident Fund (<http://www.epf.lk/>) administers the provident fund program through district offices.

Employees' Provident Fund Agency Services Group, under the Central Bank of Sri Lanka (<https://www.cbsl.gov.lk/>), collects contributions and invests the financial assets of the Employees' Provident Fund.

Ministry of National Policies and Economic Affairs (<http://www.mnpea.gov.lk/>) provides general supervision of the trust fund program.

Employees' Trust Fund Board (<http://www.etfb.lk/>) pays trust fund benefits.

Sickness and Maternity

Regulatory Framework

First and current laws: 1941 (maternity benefits) and 1954 (shop and office employees protections).

Type of program: Universal (medical benefits) and employer-liability (cash benefits) system.

Coverage

Universal (medical benefits): Residents of Sri Lanka.

Employer liability (cash sickness benefits): Employees of firms in commerce and services.

Employer liability (cash maternity benefit): Employed persons.

Exclusions: Self-employed persons.

Source of Funds

Insured person

Universal (medical benefits): None.

Employer liability (cash benefits): None.

Self-employed person

Universal (medical benefits): None.

Employer liability (cash benefits): Not applicable.

Employer

Universal (medical benefits): None.

Employer liability (cash benefits): The total cost.

Government

Universal (medical benefits): The total cost.

Employer liability (cash benefits): None.

Qualifying Conditions

Cash sickness benefit (employer liability): Must have at least 12 months of continuous employment with the same employer and provide a medical certificate.

Cash maternity benefit (employer liability): Must be currently employed.

Medical benefits (universal): There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit (employer liability): 100% of the employee's normal earnings is paid for up to seven days a year.

Maternity benefit (employer liability): 85.714% of the employee's average daily wages in the six months before maternity leave began (100% of the employee's normal wages for shop and office workers) is paid for 12 weeks (10 weeks for shop and office workers), including two weeks before and 10 weeks after the expected date of childbirth. The benefit is paid for six weeks in case of miscarriage (4 weeks for shop and office workers).

Workers' Medical Benefits

Government health centers and hospitals provide free medical care.

Plantations have their own dispensaries and maternity wards and must provide medical care for their employees.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Department of Labour (<http://www.labourdept.gov.lk/>) provides general supervision of cash benefits and enforcement of labor laws.

Ministry of Health, Nutrition and Indigenous Medicine (<http://www.health.gov.lk/>) provides medical care through public hospitals and health centers.

Work Injury

Regulatory Framework

First and current law: 1934 (workmen's compensation).

Type of program: Universal (medical benefits) and employer-liability system.

Coverage

Universal (medical benefits): Residents of Sri Lanka.

Employer liability (cash benefits): Employed persons, including contract and piece-rate workers, and apprentices.

Exclusions: Self-employed persons and military and police personnel.

Source of Funds

Insured person

Universal (medical benefits): None.

Employer liability (cash benefits): None.

Self-employed person

Universal (medical benefits): None.

Employer liability (cash benefits): Not applicable.

Employer

Universal (medical benefits): None.

Employer liability (cash benefits): The total cost (provides benefits directly to employees or pays insurance premiums ranging from 1% to 7.5% of payroll, depending on the assessed degree of risk).

Government

Universal (medical benefits): The total cost.

Employer liability (cash benefits): None; contributes as an employer.

Qualifying Conditions

Must be assessed with a work injury or occupational disease. A continuous employment period of six months for an occupational disease.

Temporary Disability Benefits

50% of the employee's average earnings is paid after a three-day waiting period for up to five years. After six months, the benefit may be paid as a lump sum.

Average earnings are based on the employee's average monthly earnings in the 12 months before the disability began. If the employee has been employed for less than one month, average earnings are based on the average monthly earnings of a worker in the same type of employment with the same employer.

The maximum temporary disability benefit is 5,500 rupees.

Schedule of payments: The benefit is paid every two weeks.

A registered doctor may examine a worker entitled to a temporary disability benefit once a month.

The temporary disability benefit is payable abroad under certain conditions if emigrating permanently.

Permanent Disability Benefits

For a total (100%) disability, a lump sum is paid based on the employee's wage class.

The minimum permanent disability benefit is 196,083.80 rupees.

The maximum permanent disability benefit is 550,000 rupees.

Partial disability: For an assessed degree of disability of less than 100%, a lump sum of 30% to 100% of the full permanent disability benefit is paid depending on the degree of disability.

Workers' Medical Benefits

Government hospitals provide medical benefits free of charge.

Survivor Benefits

Survivor benefit: A lump sum of 181,665 rupees to 550,000 rupees is paid based on the deceased's monthly wages.

Eligible survivors include the widow, legitimate dependent children, unmarried daughters, and a widowed mother. Other family members may be eligible if totally or partially dependent on the deceased.

The benefit is split among dependent relatives based on the decision of the Commissioner of Workmen's Compensation.

Funeral grant: The cost of the funeral is paid up to a maximum based on the value of the survivor benefit (up to 10,000 rupees if the survivor benefit exceeds 40,000 rupees). The benefit is paid as part of the survivor benefit.

Administrative Organization

Ministry of Labour and Trade Union Relations (<http://www.labourmin.gov.lk/>) provides general supervision.

Office of Workmen's Compensation administers the program.

Individual employers insure work injury liability through private carriers or pay compensation directly to employees or dependent survivors.

Unemployment

Regulatory Framework

No statutory unemployment benefits are provided.

The 1975 Termination of Employees Act requires firms in the private sector with at least 15 workers to provide severance pay to their employees in cases of dismissal due to firm closure or downsizing. The amount varies depending on the number of years of service: 2.5 times the employee's last monthly salary is paid for each year of service from one to five years, plus 2 times the monthly salary for each year of service from six to 14 years, plus 1.5 times the monthly salary for each year of service from 15 to 19 years, plus one month of salary for each year of service from 20 to 24 years, plus 0.5 times the monthly salary for each year of service exceeding 25 years (up to a maximum of 40 times the monthly salary).

Family Allowances

Regulatory Framework

First law: 1990.

Current law: 2013 (Samurdhi cash transfer).

Type of program: Social assistance system.

Coverage

Needy families.

Source of Funds

Insured person: 45 rupees a month for each family member; additional voluntary contributions are possible.

Self-employed person: 45 rupees a month for each family member; additional voluntary contributions are possible.

Employer: None.

Government: Finances the majority of the program costs.

Qualifying Conditions

Family allowance (samurdhi benefit, income tested): Paid to certain vulnerable families.

Income test: Family monthly earnings must be below 1,500 rupees.

Family Allowance Benefits

Family allowance (samurdhi benefit, income tested): 420 rupees to 3,500 rupees a month is paid, depending on family income and size. A portion of the benefit is allocated to a compulsory savings program.

Additional lump-sum benefits may be provided for certain life contingencies.

Family allowance beneficiaries may receive additional social services, including nutrition, vocational training, and access to loans under favorable conditions.

Administrative Organization

Department of Samurdhi Development (<http://www.samurdhi.gov.lk/>) administers the program.