

## Pakistan

Exchange rate: US\$1.00 = 121.47 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

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

**Current laws:** 1976 (old-age benefits) and 2014 (old-age benefits in Sindh).

**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 for employees of firms with up to five workers.

Exclusions: Self-employed persons and family labor.

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

#### Source of Funds

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

The monthly minimum wage is 15,000 rupees in the provinces of Punjab, Islamabad, Capital Territory, Khyber Pakhtunkhwa, and Balochistan; 16,200 in the province of Sindh (July 2018).

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

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

The monthly minimum wage is 15,000 rupees in the provinces of Punjab, Islamabad, Capital Territory, Khyber Pakhtunkhwa, and Balochistan; 16,200 in the province of Sindh (July 2018).

**Government:** None.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with at least 15 years of contributions; miners can claim the pension earlier under certain conditions.

Covered employment may continue.

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

**Old-age settlement (Old-age Grant):** Age 60 (men) or age 55 (women) with at least two years but less than 15 years of contributions; miners can claim the benefit earlier under certain conditions.

**Disability pension (Invalidity Pension):** Must be younger than the normal retirement age, have at least a 67% assessed loss of earning capacity, and have at least 15 years of contributions or at least five years of contributions, including at least three years in the last five years before the disability began.

A medical board assesses the degree of disability.

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

Eligible survivors (in order of priority) include a spouse, a son younger than age 18 (no limit if disabled) or an unmarried daughter younger than age 18, and the deceased's parents. The surviving spouse must have been married to the deceased before the deceased reached the minimum retirement 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 it is claimed before the normal retirement age.

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

**Old-age settlement (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 (Invalidity 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.

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

#### Survivor Benefits

**Survivor pension:** 100% of the minimum monthly 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 is no surviving spouse (or if the surviving spouse dies within five years of first receiving the survivor pension) or eligible orphan, the survivor pension is paid to the deceased's surviving parents for up to five years after the death (or up to five years after the death of the deceased's spouse).

The minimum monthly survivor pension is 5,250 rupees.

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

### **Administrative Organization**

Ministry of Overseas Pakistanis and Human Resource Development provides general supervision.

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

### **Sickness and Maternity**

#### **Regulatory Framework**

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

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

**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**

Private-sector employees and household workers with monthly earnings up to 18,000 rupees (22,000 rupees in Punjab province).

Eligibility for benefits does not cease upon leaving covered employment.

Exclusions: Self-employed persons and family labor.

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

#### **Source of Funds**

**Insured person:** A monthly flat-rate contribution of 40 rupees.

The insured person's contributions also finance work injury benefits.

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

**Employer:** 6% of monthly payroll; 7% of monthly payroll up to 5,000 rupees in Balochistan province.

The employer's contributions also finance work injury benefits.

**Government:** None.

#### **Qualifying Conditions**

**Cash sickness benefit:** Must have at least 90 days of contributions in the six months before the incapacity began.

**Cash maternity benefit:** Must have at least 180 days of contributions in the 12 calendar months immediately 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:** 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:** 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:** Primary health care facilities and hospitals 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 up to 12 weeks.

#### **Dependents' Medical Benefits**

Primary health care facilities and hospitals 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 and collect contributions in each province. Each institution may establish its own dispensary hospital or contract with a public or private agency for medical services.

### **Work Injury**

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#### **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 18,000 rupees (22,000 rupees in Punjab province).

Exclusions: Self-employed persons and family labor.

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

**Employer liability:** None.

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

**Social insurance:** Not applicable.

**Employer liability:** Not applicable.

##### **Employer**

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

**Employer liability:** The total cost.

##### **Government**

**Social insurance:** None.

**Employer liability:** None.

#### **Qualifying Conditions**

Must be assessed with a work injury or occupational disease.

#### **Temporary Disability Benefits**

**Temporary disability benefit (Injury Benefits, social insurance):** 60% of the insured's earnings (100% in Punjab and Sindh) is paid for up to 180 days.

**Temporary disability benefit (employer liability):** 50% of the employee's 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 (Disablement Pension, social insurance):** For a total disability (loss of earning capacity of at least 67%), 75% of the insured's last monthly earnings (100% in Punjab) is paid.

Partial disability: For an assessed loss of earning capacity of at least 21% but less than 67%, a percentage of the full permanent disability pension is paid, according to a schedule in law. For an assessed degree of disability of less than 21%, a lump sum is paid.

##### **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**

Primary health care facilities and hospitals 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

### Survivor pension (social insurance)

*Spouse's pension:* 60% of the full permanent disability pension the deceased received or was entitled to receive is paid to a widow or a needy widower with a disability. If there is more than one widow, the pension is split equally.

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

The maximum combined survivor pension is 100% of the full permanent disability pension the deceased received or was entitled to receive.

**Iddat grant (social insurance):** A widow in covered employment may receive a lump sum of up to 130 times her daily earnings on the date of her husband's death.

**Death grant (social insurance):** A lump sum of 30 days of the sickness benefit is paid to an eligible widow(er) or the person who paid for the funeral (see Sickness and Maternity).

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, or 500,000 rupees in Sindh) is paid.

### Administrative Organization

Provincial Labour Department provides general supervision of the social insurance program.

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

Workmen's compensation commissioners in each province provide general supervision of the employer-liability program.

## Unemployment

### Regulatory Framework

No statutory unemployment benefits are provided.

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

## Family Allowances

### 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

Needy citizens of Pakistan.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### Qualifying Conditions

**Family allowance (Benazir Income Support Programme [BISP], means tested):** Paid to needy families.

**Child education benefit (Waseela-e-Taleem [WeT], means tested):** Paid to families with children aged 4 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%.

**Child education benefit (Child Support Programme [CSP], 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

**Family allowance (Benazir Income Support Programme [BISP], means tested):** 4,700 rupees a quarter is paid (2017).

**Child education benefit (Waseela-e-Taleem [WeT], means tested):** 750 rupees a quarter is paid for each eligible child.

**Child education benefit (Child Support Programme [CSP], means tested):** 300 rupees a month is paid to families with one child; 600 rupees a month to families with two or more children.

### Administrative Organization

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