

## Zambia

Exchange rate: U.S.\$1.00 equals  
4,500 kwacha (K).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1965 (provident fund).

**Current law:** 1996 (pension scheme).

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

#### Coverage

Employed persons, including agricultural workers, domestic servants in urban areas, apprentices, and all employees who joined the Public Service and Local Authorities on or after February 1, 2000.

Exclusions: Workers under age 15 or older than age 55, as well as those earning less than K15,000.

Voluntary affiliation for the self-employed and other categories of worker in the informal sector.

Special system for public-sector and local government employees who joined before February 1, 2000.

#### Source of Funds

**Insured person:** 5% of earnings.

**Employer:** 5% of payroll.

**Government:** None.

The maximum earnings for contribution purposes are 4 times national average earnings.

All of the above contributions also finance funeral grants.

#### Qualifying Conditions

**Old-age pension:** Age 55 with at least 180 contributions and retired from regular employment.

**Disability pension:** Permanent incapacity for any work due to a physical or mental disability with at least 60 contributions, including 12 in the 36 months preceding the onset of disability.

**Survivor pension:** The death of an insured person with at least 60 contributions or who was receiving the old-age pension or the disability pension.

**Lump-sum benefit:** For those who do not meet the eligibility criteria for a pension.

#### Old-Age Benefits

**Old-age pension:** A monthly pension equal to the insured's average indexed monthly earnings times the accrual rate and multiplied by the number of contributions (months).

**Lump-sum benefit (old age):** The total indexed employee and employer contributions plus accrued interest.

#### Permanent Disability Benefits

**Disability pension:** Compensation for lost work-years plus the greater of the monthly calculated pension or a minimum pension.

**Lump-sum benefit (disability):** The total indexed employee and employer contributions plus accrued interest.

#### Survivor Benefits

**Survivor pension:** If the insured was employed at the time of death, the pension is equal to the compensation for lost work-years plus the greater of the monthly calculated pension or a minimum pension. If the insured was receiving an old-age or disability pension, the pension is converted to a survivor pension. The pension is payable to the spouse or dependent children up to age 18; age 25 if in full-time education.

Funeral grant: Equal to 10 times the minimum pension, payable to the survivor.

**Lump-sum benefit (survivor):** The total indexed employee and employer contributions plus accrued interest.

#### Administrative Organization

Ministry of Labor and Social Security provides general supervision.

Managed by a tripartite board of trustees and a director general, the National Pension Scheme Authority administers the program through two regional offices and 22 district offices.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1973.

**Current law:** 1994.

**Type of program:** Medical benefits only.

There is no statutory provision for cash sickness and maternity benefits. Individuals who qualified for maternity benefits under the repealed provident fund act can claim maternity benefits under the repealed act.

#### Workers' Medical Benefits

Medical care is available to all citizens in government hospitals, clinics, and rural health centers in exchange for modest fees. Fee-paying medical services have been introduced in selected medical institutions.

## **Administrative Organization**

Ministry of Labor and Social Security provides general supervision.

## **Work Injury**

### **Regulatory Framework**

**First laws:** 1929 (employer liability) and 1963 (compulsory insurance).

**Current law:** 1994.

**Type of program:** Compulsory insurance with a public carrier.

### **Coverage**

Employed persons, including casual workers, domestic servants, and apprentices.

Special system for public-sector employees.

### **Source of Funds**

**Insured person:** None.

**Employer:** Total cost met through contributions fixed annually according to the assessed degree of risk.

**Government:** None; except on behalf of all nonpensionable government employees.

The maximum annual earnings for contribution purposes are K3,000,000.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

50% of insurable earnings up to a maximum of K250,000 a month.

### **Permanent Disability Benefits**

**Permanent disability pension:** 50% of insurable earnings at the onset of disability up to a maximum of K250,000 a month times the assessed degree of disability.

**Partial disability:** A lump sum for a total benefit payment of less than K31,000 or if the assessed degree of disability is below 11%.

**Benefit adjustment:** Periodic adjustment of pensions for cost-of-living changes.

### **Workers' Medical Benefits**

Medical benefits are determined by the Minister through a statutory body.

## **Survivor Benefits**

**Survivor pension:** 80% of the insured's disability pension, payable to a widow or a disabled widower.

**Orphan's pension:** 15% for the first orphan (30% for a full orphan) and 5% for each additional orphan (10% for each additional full orphan) under age 18. The pension is payable for a maximum of eight orphans.

**Other eligible survivors (in the absence of the above):** The amount varies according to the degree that the survivor was dependent on the insured.

**Benefit adjustment:** Periodic adjustment of pension for cost-of-living changes.

**Funeral grant:** The cost of the burial or an amount prescribed by the Minister.

## **Administrative Organization**

Ministry of Labor and Social Security provides general supervision.

Managed by a board and a commissioner, the Worker's Compensation Fund administers contributions and benefits.