

## Zambia

Exchange rate: US\$1.00 equals  
4,040 kwacha (K).

### Old Age, Disability, and Survivors

#### Regulatory Framework

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

**Current law:** 1996 (pension scheme), implemented in 2000.

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

#### Coverage

Employed persons, including agricultural workers, domestic servants in urban areas, apprentices, and all public-sector and local government employees who began service on or after February 1, 2000.

Voluntary coverage for self-employed persons and some categories of informal-sector workers who were previously covered for at least 60 months.

Exclusions: Workers younger than age 16, older than age 55, or earning less than K15,000 a month; armed forces personnel.

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

#### Source of Funds

**Insured person:** 5% of covered earnings; voluntary contributors, 10% of covered earnings.

The maximum monthly earnings for contribution purposes are equal to four times national average monthly earnings.

**Self-employed person:** Voluntary contributions of 10% of covered earnings.

The maximum monthly earnings for contribution purposes are equal to four times national average monthly earnings.

**Employer:** 5% of covered payroll.

The maximum monthly earnings for contribution purposes are equal to four times national average monthly earnings.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 55 with at least 180 contributions. Retirement from regular employment is necessary.

Early pension: Paid from age 50 with at least 180 paid contributions and if the resulting reduced pension is at least equal to the minimum pension. Retirement from regular employment is necessary.

**Old-age settlement:** Paid if the insured does not satisfy the qualifying conditions for the old-age pension.

All old-age benefits are payable abroad only if there is a reciprocal agreement.

**Disability pension:** The insured must be assessed as permanently incapable of any work as the result of a physical or mental disability and have at least 60 contributions, including 12 in the 36 months before the disability began.

The disability is assessed by a medical board appointed by the Minister of Labor and Social Security.

**Disability settlement:** Paid if the insured does not satisfy the qualifying conditions for the disability pension.

All disability benefits are payable abroad only if there is a reciprocal agreement.

**Survivor pension:** The deceased had at least 60 contributions or was receiving an old-age or disability pension at the time of death.

Eligible survivors are the spouse and children younger than age 18 (age 25 if a student, no limit if disabled).

A surviving spouse caring for one or more of the deceased's children is eligible for a pension until death or remarriage. If the surviving spouse is younger than age 45 and without children by the deceased, a limited pension is paid for 2 years.

**Survivor settlement:** Paid to survivors if the deceased did not satisfy the qualifying conditions for a pension.

**Funeral grant:** Paid if the deceased had at least 12 months of contributions in the 36 months before death.

All survivor benefits are payable abroad only if there is a reciprocal agreement.

#### Old-Age Benefits

**Old-age pension:** The monthly pension is equal to the insured's average adjusted monthly earnings multiplied by the number of months of contributions.

The minimum monthly pension is equal to 20% of national average monthly earnings.

The maximum monthly pension is equal to 40% of the insured's average adjusted monthly earnings.

Early pension: A reduced pension is paid. The minimum monthly early pension is equal to 20% of national average monthly earnings.

Benefit adjustment: Benefits are adjusted annually according to changes in wages.

**Old-age settlement:** A lump sum is paid equal to the total adjusted contributions from the insured person and the employer, plus accrued interest.

### **Permanent Disability Benefits**

**Disability pension:** The insured's monthly calculated pension or the minimum pension (whichever is greater) is paid, plus compensation for lost work-years.

The minimum monthly pension is equal to 20% of national average monthly earnings.

**Disability settlement:** A lump sum is paid equal to the total adjusted contributions from the insured person and the employer, plus accrued interest.

### **Survivor Benefits**

**Survivor pension:** If the insured was employed at the time of death, the pension is equal to the monthly calculated pension or the minimum pension (whichever is greater), plus compensation for lost work-years. If the deceased was receiving an old-age or disability pension, the pension is replaced by a survivor pension.

When there is more than one eligible survivor, the pension is split according to the schedule in law.

The minimum monthly pension is equal to 20% of national average monthly earnings.

**Survivor settlement:** A lump sum is paid equal to the total adjusted contributions from the employee and the employer, plus accrued interest.

**Funeral grant:** A lump sum equal to 10 times the minimum pension is paid to the survivor. In the absence of a survivor, the grant is paid to the person who pays for the funeral.

### **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 (<http://www.napsa.co.zm>) administers the program through two regional offices and 22 district offices.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1973.

**Current law:** 1994.

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

No statutory cash benefits are provided. Women who qualified for maternity benefits under the repealed provident fund act can claim maternity benefits under the repealed act.

#### **Coverage**

**Cash sickness and maternity benefits:** No statutory benefits are provided.

**Medical benefits:** Resident citizens of Zambia.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Most of the cost of medical benefits.

### **Qualifying Conditions**

**Cash sickness and maternity benefits:** No statutory benefits are provided. (Women who qualified for maternity benefits under the repealed provident fund act can claim maternity benefits under the repealed act.)

**Medical benefits:** Must be a resident citizen of Zambia.

### **Sickness and Maternity Benefits**

**Cash sickness and maternity benefits:** No statutory benefits are provided. (Women 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 at low cost. Medical services requiring the payment of fees have been introduced in selected medical institutions.

### **Dependents' Medical Benefits**

Medical care is available to all citizens in government hospitals, clinics, and rural health centers at low cost. Medical services requiring the payment of fees have been introduced in selected medical institutions.

### **Administrative Organization**

Ministry of Labor and Social Security provides general supervision.

### **Work Injury**

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#### **Regulatory Framework**

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

**Current law:** 1994.

**Type of program:** Employer-liability system, involving compulsory insurance with a public carrier.

#### **Coverage**

Employed persons, including casual workers, domestic servants, apprentices, and public-sector employees not covered by the special system.

Special system for public-sector employees.

### **Source of Funds**

**Insured person:** None.

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

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

**Government:** None; contributes as an employer on behalf of covered employees.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

If the insured is assessed with a degree of disability of 10% or less, the benefit is equal to 50% of monthly covered earnings. The benefit is paid for a maximum of 18 months; may be extended to 24 months. Medical certification is necessary.

The maximum monthly earnings for benefit calculation purposes are K250,000.

The minimum and maximum benefits vary according to the assessed degree of disability.

The degree of disability is assessed by government hospitals or private clinics. Occupational diseases are assessed annually. Work injuries are assessed when the claim is made; a review of the assessed disability is possible if the worker's medical condition changes.

Benefit adjustment: Benefits are adjusted periodically according to changes in the cost of living.

### **Permanent Disability Benefits**

**Permanent disability pension:** The insured must have an assessed degree of disability greater than 10%. The pension is equal to 50% of monthly covered earnings when the disability began times the assessed degree of disability.

The maximum monthly earnings for benefit calculation purposes are K250,000.

The maximum pension is paid for a permanent total disability of 100%.

Constant-attendance allowance: The allowance varies according to the insured's assessed degree of disability.

Partial disability: A lump sum is paid if the total benefit payment is less than K31,000 or if the assessed degree of disability is 10% or less.

The degree of disability is assessed by a government institution or private clinic. Occupational diseases are assessed annually. Work injuries are assessed at the start of the claim; a review of the assessed disability is possible if the worker's medical condition changes.

Benefit adjustment: Benefits are adjusted periodically according to changes in the cost of living.

### **Workers' Medical Benefits**

Medical benefits are determined by the Minister of Labor and Social Security through a statutory body.

There is no limit to duration.

### **Survivor Benefits**

**Survivor pension:** A widow or a disabled widower receives 80% of the deceased's disability pension. The pension is paid monthly.

The widow(er) pension ceases on remarriage, and a lump sum is paid.

Remarriage settlement: A lump sum is paid equal to 24 months' pension.

**Orphan's pension:** 15% of the deceased's disability pension is paid for the first orphan (30% for a full orphan) and 5% for each additional orphan (10% for each additional full orphan) younger than age 18. The monthly pension is paid 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 deceased.

Benefit adjustment: Benefits are adjusted periodically according to changes in the cost of living.

**Funeral grant:** The cost of the burial or an amount prescribed by the Minister of Labor and Social Security is paid.

### **Administrative Organization**

Ministry of Labor and Social Security provides general supervision.

Managed by a board and a commissioner, the Workers' Compensation Fund Control Board (<http://www.workers.com.zm>) administers contributions and benefits.