

## Zambia

Exchange rate: US\$1.00 = 4,925 kwacha.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1966 (provident fund).

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

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

#### Coverage

Employed persons, including agricultural workers, household workers in urban areas, apprentices, and all employees of the national public service and local authorities who began work 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 earning less than 15,000 kwacha a month; armed forces personnel.

Special system for employees of the national public service and local authorities who began work before February 1, 2000.

#### Source of Funds

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

The maximum monthly earnings used to calculate contributions are four times the national average monthly earnings.

**Self-employed person:** 10% of covered earnings for voluntary contributors.

The maximum monthly earnings used to calculate contributions are four times the national average monthly earnings.

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

The maximum monthly earnings used to calculate contributions are four times the national average monthly earnings.

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

#### Qualifying Conditions

**Old-age pension:** Age 55 with at least 180 months of contributions. Employment must cease.

Early pension: Paid from age 50 with at least 180 months of contributions and if the resulting reduced pension is at least 20% of the national average monthly earnings. Employment must cease.

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

All old-age benefits are payable abroad only under 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 months of contributions, including at least 12 in the 36 months before the disability began.

A medical board appointed by the Minister of Labor and Social Security assesses the disability.

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

All disability benefits are payable abroad only under reciprocal agreement.

**Survivor pension:** The deceased had at least 60 months of 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 does not have children with the deceased, a limited pension is paid for two years.

**Survivor settlement:** Paid to survivors if the deceased did not meet 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 under reciprocal agreement.

#### Old-Age Benefits

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

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

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

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

Benefit adjustment: Benefits are adjusted annually according to changes in national average earnings.

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

### **Permanent Disability Benefits**

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

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

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

### **Survivor Benefits**

**Survivor pension:** If the insured was employed at the time of death, the pension is the monthly calculated pension or the minimum pension (whichever is greater) plus compensation for lost years of work. 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 a schedule in law.

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

**Survivor settlement:** A lump sum of the total adjusted contributions from the insured and the employer plus accrued interest is paid.

**Funeral grant:** A lump sum of 10 times the minimum pension is paid to the survivor; if there is no eligible survivor, the grant is paid to the person who paid for the funeral.

### **Administrative Organization**

Ministry of Labor and Social Security (<http://www.mlss.gov.zm>) provides general supervision.

National Pension Scheme Authority, managed by a tripartite board of trustees and a director general, administers the program through two regional offices and 23 district offices.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1973.

**Current law:** 1994.

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

No statutory cash benefits are provided.

#### **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.

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

### **Sickness and Maternity Benefits**

No statutory benefits are provided.

### **Workers' Medical Benefits**

Medical care is available to all resident citizens in government hospitals, clinics, and rural health centers at low cost. Selected medical institutions require the payment of fees for medical services.

### **Dependents' Medical Benefits**

Medical care is available to all resident citizens in government hospitals, clinics, and rural health centers at low cost. Selected medical institutions require the payment of fees for medical services.

### **Administrative Organization**

Ministry of Health (<http://www.moh.gov.zm>) provides general supervision.

### **Work Injury**

#### **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, household workers, apprentices, and public-sector employees not covered under the special system for public-sector employees.

Exclusions: Self-employed persons.

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.

### **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, 50% of monthly covered earnings is paid for up to 18 months; may be extended to 24 months. Medical certification is necessary.

The maximum monthly earnings used to calculate benefits are 250,000 kwacha.

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

A government institution or private clinic assesses the degree of disability. 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:** If the insured is assessed with a degree of disability greater than 10%, 50% of monthly covered earnings when the disability began multiplied by the assessed degree of disability is paid.

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

The maximum monthly earnings used to calculate benefits are 250,000 kwacha.

Constant-attendance allowance: Paid if the insured is assessed with a total disability and requires the constant attendance of others to perform daily functions.

Partial disability: A lump sum is paid if the total benefit payment is less than 31,000 kwacha or if the assessed degree of disability is 10% or less.

A government institution or private clinic assesses the degree of disability. 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.

### **Workers' Medical Benefits**

Minister of Labor and Social Security determines medical benefits through a statutory body.

There is no limit to duration.

### **Survivor Benefits**

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

Remarriage settlement: The widow(er)'s pension ceases on remarriage and a lump sum of 24 months of pension is paid.

**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 up to eight orphans.

**Other eligible survivors:** If there is no surviving widow(er) or child, an amount is paid to other eligible dependent survivors according to their degree of dependency 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 (<http://www.mlss.gov.zm>) provides general supervision.

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