

## Zambia

Exchange rate: US\$1.00 = 11.90 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, apprentices, and 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 certain categories of informal-sector workers who previously had mandatory coverage for at least 60 months.

Exclusions: Family labor.

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

#### Source of Funds

**Insured person:** 5% of gross monthly covered earnings; 10% for the voluntarily insured.

The minimum monthly earnings used to calculate contributions are 15 kwacha.

The maximum monthly earnings used to calculate contributions are 21,476 kwacha.

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

The minimum monthly earnings used to calculate contributions are 15 kwacha.

The maximum monthly earnings used to calculate contributions are 21,476 kwacha.

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

The minimum monthly earnings used to calculate contributions are 15 kwacha.

The maximum monthly earnings used to calculate contributions are 21,476 kwacha.

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

#### Qualifying Conditions

**Old-age pension (Retirement Pension):** Age 55 (age 60 for persons whose insurance period began after August 14,

2015) with at least 180 months of contributions (reduced by 12 months for each year the insured was older than age 38 for those who were aged 39 to 48 on February 1, 2000).

Employment must cease.

Early pension: Age 50 (age 55 for persons whose insurance period began after August 14, 2015) and meets the contribution requirements for an old-age pension. The early pension must exceed the minimum monthly old-age pension.

Deferred pension: The pension may be deferred until age 65.

The old-age pension is payable abroad.

**Old-age settlement (Retirement Lump Sum):** Age 55 (age 60 for persons whose insurance period began after August 14, 2015) but does not meet the contribution requirement for the old-age pension.

The old-age settlement is payable abroad.

**Disability pension (Invalidity Pension):** Must be younger than the normal retirement age, be assessed with a permanent incapacity for work, and have at least 60 months of contributions, including at least 12 months in the 36 months before the disability began.

A medical board appointed by the Minister of Labour and Social Security assesses the loss of work capacity.

The disability pension ceases at the normal retirement age and is replaced by the old-age pension.

The disability pension is payable abroad.

**Disability settlement (Invalidity Lump Sum):** Must be younger than the normal retirement age, be assessed with a permanent incapacity for work, and not meet the contribution requirement for the disability pension.

A medical board appointed by the Minister of Labour and Social Security assesses the loss of work capacity.

The disability settlement is payable abroad.

**Survivor pension:** The deceased received or was entitled to receive an old-age or disability pension, or had at least 60 months of contributions at the time of death.

Eligible survivors include a widow(er) and orphans younger than age 18 (age 25 if a student, no limit if disabled).

The widow(er)'s pension ceases upon remarriage unless the widow(er) is caring for one or more of the deceased's children.

The survivor pension is payable abroad.

**Survivor settlement (Survivor's Lump Sum):** The deceased was entitled to receive an old-age or disability settlement.

Eligible survivors include a widow(er), a child of the deceased, or a nominated beneficiary.

**Funeral grant:** Paid if the deceased received or was entitled to receive an old-age or disability pension, or had at least 12 months of contributions in the 36 months before death.

### **Old-Age Benefits**

**Old-age pension (Retirement Pension):** The monthly pension is the insured's average adjusted monthly earnings multiplied by the number of months of contributions and the replacement rate.

The replacement rate is 0.001111.

The minimum monthly old-age pension is 20% of the national average monthly earnings.

The national average monthly earnings is 4,975 kwacha (2018).

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

**Early pension:** A reduced pension of at least 20% of the national average monthly earnings is paid.

**Deferred pension:** Calculated in the same way as the old-age pension.

**Benefit adjustment:** Benefits are adjusted annually based on changes in national average earnings.

**Old-age settlement (Retirement Lump Sum):** A lump sum of the total adjusted employee and employer contributions plus accrued interest is paid.

### **Permanent Disability Benefits**

**Disability pension (Invalidity Pension):** The monthly pension is the insured's average adjusted monthly earnings multiplied by the number of months of contributions and the replacement rate. The insured is credited with 0.5% of adjusted monthly earnings for each year of work lost from the time the disability began until the normal retirement age.

The replacement rate is 0.001111.

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

The national average monthly earnings is 4,975 kwacha (2018).

**Benefit adjustment:** Benefits are adjusted annually based on changes in national average earnings.

**Disability settlement (Invalidity Lump Sum):** A lump sum of the total adjusted employee and employer contributions plus accrued interest is paid.

### **Survivor Benefits**

**Survivor pension:** The old-age or disability pension the deceased received or was entitled to receive at the time of death is paid; if the deceased was not a pensioner at the

time of death, a disability pension (using the date of death as the date of disability onset) is paid. If the widow(er) is younger than age 45 and does not have dependent children younger than age 15 with the deceased, a reduced pension is paid for two years.

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

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

The national average monthly earnings is 4,975 kwacha (2018).

**Benefit adjustment:** Benefits are adjusted annually based on changes in national average earnings.

**Survivor settlement (Survivor's Lump Sum):** The retirement or disability settlement the deceased was entitled to receive is paid.

**Funeral grant:** A lump sum of 10 times the minimum monthly pension is paid (in order of priority) to a surviving spouse, a parent or sibling, or the person who paid for the funeral.

The minimum monthly pension is 894.61 kwacha (2017).

### **Administrative Organization**

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

National Pension Scheme Authority (<https://www.napsa.co.zm/>), managed by a tripartite board of trustees and a director general, collects contributions and administers the program through two regional offices and 27 district offices.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1973.

**Current laws:** 1965 (employment), 1994 (health), and 2010 (vulnerable workers).

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

Note: A 2018 law introducing mandatory health insurance for public- and private-sector employees, pensioners, and self-employed persons has not yet been implemented.

#### **Coverage**

**Universal (medical benefits):** Resident citizens of Zambia.

**Employer liability (cash benefits):** Public- and private-sector employees.

Exclusions: Self-employed persons, apprentices, casual workers, 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.

### Government

*Universal (medical benefits):* The total cost.

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

## 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 have at least two years of continuous employment with the same employer and provide a medical certificate from a registered medical practitioner.

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

## Sickness and Maternity Benefits

**Sickness benefit (employer liability):** 100% of the employee's salary is paid for up to 26 days a year (for up to three months for certain vulnerable workers not covered by a collective agreement, plus an additional 50% of the employee's salary for up to three additional months).

**Maternity benefit (employer liability):** 100% of the employee's salary is paid for 12 weeks (120 days for certain vulnerable workers not covered by a collective agreement).

## Workers' Medical Benefits

**Medical benefits (universal):** Medical care is available 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 benefits (universal):** Benefits for dependents are the same as those for the insured.

## Administrative Organization

Ministry of Labour and Social Security (<https://www.mlss.gov.zm/>) provides general supervision for cash maternity benefits.

Employers pay cash benefits directly to employees.

Ministry of Health (<https://www.moh.gov.zm/>) provides general supervision for medical benefits.

## Work Injury

### Regulatory Framework

**First laws:** 1929 (employer liability), 1950 (pneumoconiosis act), and 1961 (compulsory insurance).

**Current law:** 1999 (workers' compensation), implemented in 2013.

**Type of program:** Employer-liability system through a public carrier.

### Coverage

Employed persons, including certain casual workers, household workers, and apprentices; self-employed persons; and public-sector employees not covered by a special system.

Special system for certain public-sector employees and military and police personnel.

### Source of Funds

**Insured person:** None.

**Self-employed person:** No information available.

**Employer:** The total cost; contribution rates vary depending on the assessed degree of risk.

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

### Qualifying Conditions

Must be assessed with a work injury or occupational disease. Occupational diseases are specified by law. Must provide a medical certificate.

### Temporary Disability Benefits

50% of the insured's last monthly covered earnings is paid for up to 24 months.

The maximum monthly earnings used to calculate benefits are 800 kwacha.

The minimum and maximum disability benefits vary depending on the assessed degree of disability.

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

Benefit adjustment: Benefits are adjusted periodically based on changes in the cost of living.

### **Permanent Disability Benefits**

**Permanent disability pension:** For a total (100%) disability, 50% of the insured's last monthly covered earnings before the disability began is paid.

The maximum monthly earnings used to calculate benefits are 800 kwacha.

**Constant-attendance allowance:** An additional benefit may be paid if the insured is assessed with a total disability and requires the constant attendance of others to perform daily functions.

**Partial disability:** For an assessed degree of disability greater than 10% but less than 100%, a percentage of the full permanent disability pension is paid based on the assessed degree of disability. For an assessed degree of disability of up to 10%, a lump sum is paid.

A government institution or private clinic assesses the degree of disability. A review of the assessed degree of disability resulting from an occupational disease is conducted annually. A review of the assessed degree of disability resulting from a work injury is possible if the worker's medical condition changes.

**Benefit adjustment:** Benefits are adjusted periodically based on changes in the cost of living.

### **Workers' Medical Benefits**

The Workers' Compensation Fund Control Board refunds all employer expenses incurred as a result of hospitalization, and the treatment of occupational accidents and diseases at public and private health institutions.

### **Survivor Benefits**

#### **Survivor pension**

**Spouse's pension:** 80% of the disability pension the deceased received or was entitled to receive is paid to a widow(er).

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

**Orphan's pension:** 15% of the disability pension the deceased received or was entitled to receive is paid to the youngest orphan (30% for a full orphan) and 5% for each additional orphan (10% for each additional full orphan) younger than age 18, up to eight orphans.

**Other eligible survivors:** If there is no widow(er) or eligible orphan, a benefit is paid to other eligible survivors based on their degree of dependence on the deceased.

**Benefit adjustment:** Benefits are adjusted periodically based on changes in the cost of living.

**Funeral grant:** The cost of the funeral is paid if the death was the result of a work injury or an occupational disease.

### **Administrative Organization**

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

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

### **Unemployment**

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#### **Regulatory Framework**

The Minimum Wages and Conditions of Employment Act 2011 regulates employers to provide severance pay for the unlawful dismissal of employees, and lump-sum payments for termination of employment on medical grounds that are certified by a registered medical doctor. In either case, at least two months of an employee's basic wages is paid for each completed year of service. Severance pay is otherwise provided only when there is an express agreement between the employer and the employee.