

## India

Exchange rate: US\$1.00 = 46.30 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1952 (employees' provident funds), 1972 (payment of gratuity), 1976 (employees' deposit-linked insurance), 1995 (employees' pension scheme), 1995 (national social assistance program), and 2008 (unorganized workers' social security).

**Type of program:** Provident fund with survivor (deposit-linked) insurance and pension fund; gratuity schemes for industrial workers; and social assistance system.

#### Coverage

##### Provident fund and survivor (deposit-linked) insurance:

Employees, including casual, part-time, and daily wage workers and those employed through contractors, with monthly earnings of 6,500 rupees or less working in establishments with at least 20 employees in one of the 186 categories of covered industry (the establishment remains covered even if the number of employees falls below 20); employees of other establishments specified by law, including cooperatives with more than 50 employees.

Employees covered by equivalent occupational private plans may contract out.

Voluntary coverage for employees of covered establishments with monthly earnings of more than 6,500 rupees, with the agreement of the employer. Voluntary coverage for establishments with less than 20 employees if the employer and a majority of the employees agree to contribute.

Exclusions: Self-employed persons, agricultural workers, and cooperatives employing less than 50 workers.

**Pension scheme:** Employees who became members of the provident fund on or after November 16, 1995.

Voluntary coverage is possible.

Exclusions: Self-employed persons, agricultural workers, and cooperatives employing less than 50 workers.

**Gratuity scheme:** Employees of factories, mines, oil fields, plantations, ports, railways, and shops with at least 10 workers.

Exclusions: Self-employed persons, agricultural workers, and cooperatives employing less than 50 workers. There is no coverage in the states of Jammu and Kashmir.

Special systems for coal miners, railway employees, and public-sector employees.

**Social assistance:** Needy older persons and poor households on the death of the primary breadwinner.

Separate informal-sector schemes exist for certain artisans and the rural landless.

#### Source of Funds

##### Insured person

**Provident fund:** 12% of basic wages (10% in four specified categories of industry) in covered establishments with less than 20 employees and some other specific cases.

The maximum monthly earnings used to calculate contributions are 6,500 rupees.

**Survivor (deposit-linked) insurance scheme:** None.

**Pension scheme:** None.

**Gratuity scheme:** None.

**Social assistance:** None.

##### Self-employed person

**Provident fund:** Not applicable.

**Survivor (deposit-linked) insurance scheme:** Not applicable.

**Pension scheme:** Not applicable.

**Gratuity scheme:** Not applicable.

**Social assistance:** None.

##### Employer

**Provident fund:** 3.67% of monthly payroll plus 1.1% of monthly payroll for administrative costs.

**Survivor (deposit-linked) insurance scheme:** 0.5% of monthly payroll plus 0.01% of monthly payroll for administrative costs.

The maximum monthly earnings used to calculate contributions are 6,500 rupees.

**Pension scheme:** 8.33% of monthly payroll.

The maximum monthly earnings used to calculate contributions are 6,500 rupees.

**Gratuity scheme:** An average of 4% of monthly payroll.

**Social assistance:** None.

##### Government

**Provident fund:** None.

**Survivor (deposit-linked) insurance scheme:** None.

**Pension scheme:** 1.17% of the insured's basic wages.

The maximum monthly earnings used to calculate contributions are 6,500 rupees.

**Gratuity scheme:** None.

**Social assistance:** The total cost.

## Qualifying Conditions

### Old-age benefits

*Provident fund:* Age 55 and retired from covered employment; at any age if leaving the country permanently, if covered employment ends involuntarily, on the termination of service under a voluntary retirement scheme, on changing employment from an establishment covered by the scheme to one that is not, or after 2 months of unemployment.

*Drawdown payment:* Partial drawdown is permitted before retirement for special purposes, including paying for life insurance, the purchase or construction of a home, loan repayment, a child's education or marriage, care costs for a serious illness, damage resulting from a natural disaster, or costs relating to the onset of a disability.

Under certain circumstances, the full amount can be drawn down before age 55.

*Pension scheme:* Age 58 with at least 10 years of coverage.

*Partial pension:* Age 58 with less than 10 years of coverage.

*Early pension:* Age 50 with at least 10 years of coverage.

Employment must cease.

*Gratuity scheme:* Must have at least 5 years of continuous employment.

*Old-age pension (social assistance):* Needy persons aged 65 or older.

### Disability benefits

*Provident fund:* Must be assessed with a permanent and total incapacity for normal work.

*Pension scheme:* Must be assessed with a permanent and total disability as the result of an occupational injury. The insured must have at least 1 month of contributions.

*Gratuity scheme:* Must be assessed with a disability caused by a disease or an accident.

*Social assistance:* Paid to needy persons aged 16 to 64 for severe or multiple disabilities.

### Survivor benefits

*Provident fund:* Paid for the death of the provident fund member before retirement.

*Survivor (deposit-linked) insurance scheme:* Paid for the death of the provident fund member before retirement.

*Pension scheme:* Paid to a widow(er) and up to two children younger than age 25 (no limit if totally and permanently disabled). The deceased must have had at least 1 month of contributions, regardless of whether the deceased was employed or retired at the time of death.

The widow(er)'s pension ceases on remarriage.

In the absence of a surviving widow(er) or orphan, the pension is paid to a named survivor or a dependent father or mother.

*Gratuity scheme:* Paid for the death of the insured as the result of an illness or an accident.

*Survivor grant (social assistance):* Paid to needy households (under the National Family Benefit Scheme) on the death of the primary breadwinner aged 18 to 64.

## Old-Age Benefits

### Old-age benefits

*Provident fund:* A lump sum of total employee and employer contributions plus interest is paid.

*Drawdown payment:* According to circumstances, the value of the minimum payment varies from 1 month of wages to total employee and employer contributions plus accrued interest.

*Pension scheme:* A monthly pension is paid based on a member's pensionable service and earnings.

There is a minimum pension.

*Partial pension:* A lump sum of total employee and employer contributions plus interest is paid.

*Early pension:* The basic pension is reduced by 3% for each year that retirement is taken before age 58.

*Pension adjustment:* The pension is adjusted annually by the central government according to an actuarial evaluation.

*Gratuity scheme:* Based on the insured's final salary, a lump sum of 15 days of wages for each year of continuous service is paid (a reduced amount is paid for partial years in excess of 6 months).

The maximum benefit is 350,000 rupees.

For seasonal employees, employers pay the gratuity at the rate of 7 days of wages for each season worked.

*Old-age pension (social assistance):* A basic pension of 200 rupees a month is paid. Amounts in addition to the basic pension vary by state.

## Permanent Disability Benefits

### Disability benefits

*Provident fund:* A lump sum of total employee and employer contributions plus interest is paid.

*Pension scheme:* A monthly pension is paid based on the member's pensionable earnings subject to a minimum of 250 rupees or a lump sum of total employee and employer contributions plus interest.

*Pension adjustment:* The pension is adjusted annually by the central government according to an actuarial evaluation.

*Gratuity scheme:* Based on the insured's last wage, a lump sum of 15 days of wages for each year of continuous service

## India

---

before the disability began is paid (a reduced amount is paid for partial years in excess of 6 months).

The maximum benefit is 350,000 rupees.

For seasonal employees, employers pay the gratuity at the rate of 7 days of wages for each season worked.

*Social assistance (disability):* A basic pension of 200 rupees a month is paid. Amounts in addition to the basic pension vary by state.

### Survivor Benefits

#### Survivor benefits

*Provident fund:* A lump sum of total employee and employer contributions plus interest is paid to a named survivor or split equally among all eligible family members.

Death grant: Up to 2,000 rupees is paid.

*Survivor (deposit-linked) insurance scheme:* A lump sum is paid of the average balance of the deceased's provident fund account during the 12 months before death or during the period of membership, whichever is less.

The maximum benefit is 60,000 rupees (and is paid in addition to the provident fund survivor benefit).

*Widow(er)'s pension (pension scheme):* 50% of the deceased's pension is paid.

The minimum monthly pension is 450 rupees.

*Orphan's pension (pension scheme):* 25% of the widow(er)'s pension is paid, subject to a minimum of 150 rupees a month; full orphans receive 75% of the widow(er)'s pension, subject to a minimum of 250 rupees a month.

*Other eligible survivors (pension scheme):* In the absence of a surviving widow(er) or children, up to 75% of the deceased's pension is paid.

Benefit adjustment: The pension is adjusted annually by the central government according to an actuarial evaluation.

*Gratuity scheme:* Based on the deceased's last wage, a lump sum of 15 days of wages for each year of continuous service is paid to a named survivor or to the deceased's heirs (a reduced amount is paid for partial years in excess of 6 months).

The maximum benefit is 350,000 rupees.

For the death of seasonal employees, employers pay the gratuity at the rate of 7 days of wages for each season worked.

*Funeral grant:* See Sickness and Maternity.

*Survivor grant (social assistance):* A lump sum of 10,000 rupees is paid.

### Administrative Organization

Ministry of Labour and Employment (<http://www.labour.nic.in>) provides general supervision for most schemes.

Employees' Provident Fund Organisation (<http://www.epfindia.com>), administers the provident fund program through regional, subregional, inspectorate, and subaccount offices.

Central Board of Trustees of the Employees' Provident Fund, through a tripartite body comprising representatives of government, employers, and employees, administers the funds.

Central and state authorities administer the gratuity scheme.

Ministry of Rural Development (<http://rural.nic.in>) provides general supervision for social assistance schemes.

National Social Assistance Program administers social assistance old-age pensions and disability schemes.

National Family Benefit Scheme administers survivor grants.

## Sickness and Maternity

---

### Regulatory Framework

**First and current laws:** 1948 (employees' state insurance), 1995 (social assistance), and 2008 (unorganized workers' social security).

**Type of program:** Social insurance and social assistance system.

Note: Under a 1961 law (maternity benefit act), implemented in 1963, employers provide maternity benefits to employees in factories and establishments not covered by the Employees' State Insurance Act of 1948.

### Coverage

**Social insurance:** Employees earning 15,000 rupees or less a month and working in certain businesses with at least 20 workers (10 workers in manufacturing).

Employees working for government-run businesses that are covered by equivalent private plans may contract out.

Coverage is being extended gradually, with 787 industrial centers currently covered. (The scheme still does not apply to the states of Manipur, Sikkim, Arunachal Pradesh, or Mizoram.)

Exclusions: Self-employed persons, seasonal workers (less than 7 months a year), agricultural workers, and workers in certain other sectors.

Voluntary coverage for medical benefits is available to previously insured retired persons.

**Social assistance:** Needy pregnant women may receive assistance for the first two births.

A national health insurance scheme covers qualified hospitalization and transport costs for needy individuals in most states.

Separate informal-sector schemes exist for certain artisans.

## Source of Funds

### Insured person

*Social insurance:* 1.75% of earnings for employees whose average daily wage is at least 70 rupees.

The insured person's contributions also finance work injury benefits and the unemployment allowance.

Voluntarily insured persons pay a flat-rate of 10 rupees a month for medical benefits.

*Social assistance:* None.

### Self-employed person

*Social insurance:* Not applicable.

*Social assistance:* None.

### Employer

*Social insurance:* 4.75% of payroll for covered employees.

The employer's contributions also finance work injury benefits and the unemployment allowance.

*Social assistance:* None.

### Government

*Social insurance:* State governments pay 12.5% of the cost of medical benefits.

State government contributions also finance work injury medical benefits and the cost of necessary medical care for unemployment allowance beneficiaries and their dependents.

*Social assistance:* The total cost.

## Qualifying Conditions

**Cash sickness benefits (social insurance):** Must have been in insured employment for at least 78 days during a 6-month period.

**Cash maternity benefits (social insurance):** Must have been in insured employment for at least 70 days during two designated and consecutive 6-month periods.

**Cash maternity grant (social assistance):** Paid to needy pregnant women aged 19 or older for the first two live births.

**Funeral grant (social insurance):** Paid for the death of the insured.

**Medical benefits:** Must be currently in insured employment or qualify for cash sickness benefits.

## Sickness and Maternity Benefits

**Sickness benefit:** The benefit varies but is around 60% of the average daily wage. The benefit is paid after a 2-day waiting period for up to 91 days in any two consecutive designated 6-month periods.

Family planning (sterilization): Cash sickness benefit is paid at a double rate for 7 days (men) or 14 days (women); may be extended in case of complications.

**Maternity benefit:** The benefit is 100% of average earnings, according to wage class, and is paid for up to 12 weeks (including up to 6 weeks before the expected date of childbirth); 6 weeks in the case of a miscarriage. The benefit may be extended by 4 weeks for medical reasons.

The minimum daily benefit is 20 rupees.

**Cash maternity grant (social assistance):** A lump sum of 2,500 rupees is paid.

**Funeral grant (social insurance):** A lump sum of the funeral cost, up to 5,000 rupees, is paid to the oldest member of the family or to the person who paid for the funeral.

## Workers' Medical Benefits

State governments arrange for the provision of medical care for the Employees' State Insurance Corporation, except in the National Capital Territory of Delhi and model hospitals where the Corporation administers medical care directly. Services are provided in different states through social insurance dispensaries and hospitals, state government services, or private doctors under contract. Benefits include outpatient treatment, specialist consultations, hospitalization, surgery and obstetric care, imaging and laboratory services, and transportation. Drugs, dressings, artificial limbs, aids, and appliances are provided free-of-charge.

The duration of benefits is from 3 months to 1 year, according to the insured's contribution record.

## Dependents' Medical Benefits

Benefits are currently provided in most states and districts. Services are provided in different states through social insurance dispensaries and hospitals, state government services, or private doctors under contract. Benefits include outpatient treatment, specialist consultations, hospitalization, surgery and obstetric care, imaging and laboratory services, and transportation. Drugs, dressings, artificial limbs, aids, and appliances are provided free-of-charge.

Eligible dependents are the spouse, children up to age 18 (age 21 if a student, no limit if disabled or an unmarried daughter), a widowed mother, and dependent parents.

## Administrative Organization

Ministry of Labour and Employment (<http://www.labour.nic.in>) provides general supervision.

Employees' State Insurance Corporation (<http://www.esic.nic.in>), managed by a tripartite board and a Director General, administers the social insurance program through regional and local offices.

State governments administer the provision of medical benefits through agreement with and reimbursement by the Employees' State Insurance Corporation.

## India

---

Employees' State Insurance Corporation administers the provision of medical benefits in some cases.

National Rural Health Mission (<http://mohfw.nic.in/NRHM.htm>) in the Ministry of Health and Family Welfare administers the social assistance scheme.

### **Work Injury**

---

#### **Regulatory Framework**

**First law:** 1923 (workmen's compensation).

**Current law:** 1948 (employees' state insurance).

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

#### **Coverage**

Employees earning 15,000 rupees or less a month and working in certain businesses with at least 20 workers (10 workers in manufacturing).

Employees working for government-run businesses that are covered by equivalent private plans may contract out.

Coverage is being extended gradually, with 787 industrial centers currently covered. The scheme has not been implemented in the states of Manipur, Sikkim, Arunachal Pradesh, and Mizoram.

Exclusions: Self-employed persons, seasonal workers (less than 7 months a year), agricultural workers, and workers in certain other sectors.

#### **Source of Funds**

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

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

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

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

#### **Qualifying Conditions**

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

#### **Temporary Disability Benefits**

The benefit varies but is around 75% of the average daily wage. The benefit is paid for the entire duration of the disability, subject to a minimum period of incapacity of 3 days.

#### **Permanent Disability Benefits**

**Permanent disability pension:** The pension is paid according to the assessed loss of earning capacity.

The maximum daily rate is the temporary disability benefit rate per day (around 75% of the average daily wage).

If the daily value of the pension is 5 rupees or less, the benefit may be paid as a lump sum provided the total value of the benefit does not exceed 30,000 rupees.

Separate medical boards assess the loss of earning capacity resulting from a work injury or an occupational disease.

**Partial disability:** A percentage of the full pension is paid according to the assessed loss of earning capacity.

**Benefit adjustment:** Benefits are reviewed periodically by the Employees' State Insurance Corporation and adjusted for inflation.

#### **Workers' Medical Benefits**

Services are provided in different states through social insurance dispensaries and hospitals, state government services, or private doctors under contract. Benefits include outpatient treatment, specialist consultations, hospitalization, surgery and obstetric care, imaging and laboratory services, transportation, and the free supply of drugs, dressings, artificial limbs, aids, and appliances. The scale of services provided varies among the states.

#### **Survivor Benefits**

**Survivor pension (widow's pension):** 60% of the total disability pension the deceased would have been entitled to receive (the average pension is 75% of the deceased's earnings) is paid to the spouse.

**Orphan's pension:** 40% of the total disability pension the deceased would have been entitled to receive (the average pension is 75% of the deceased's earnings) is paid for an orphan younger than age 25 (no limit if disabled or an unmarried daughter).

The maximum total survivor pension is 100% of the deceased's pension.

**Other eligible survivors:** In the absence of a surviving widow or children, up to 50% of the total disability pension the deceased would have been entitled to receive is paid to other eligible survivors including the deceased's parents, grandparents, and other dependents younger than age 18.

The minimum daily benefit is 14 rupees.

**Funeral grant:** A lump sum of the funeral cost, up to 5,000 rupees, is paid to the oldest member of the family or to the person who pays for the funeral.

#### **Administrative Organization**

Ministry of Labour and Employment (<http://www.labour.nic.in>) provides general supervision.

Employees' State Insurance Corporation (<http://www.esic.nic.in>), managed by a tripartite board and a Director General, administers the program through regional and local offices.

State governments administer the provision of medical benefits through agreement with and reimbursement by the Employees' State Insurance Corporation.

Employees' State Insurance Corporation administers the provision of medical benefits in some cases.

## **Unemployment**

### **Regulatory Framework**

**First and current law:** 1948 (state insurance) and 2005 (rural employment guarantee).

**Type of program:** Social insurance and social assistance system.

### **Coverage**

**Social insurance:** Employees earning 15,000 rupees or less a month and working in certain businesses with at least 20 workers (10 workers in manufacturing).

**Social assistance:** Every household in qualified rural areas.

### **Source of Funds**

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

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

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

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

**Social assistance:** State governments fund the rural employment guarantee.

### **Qualifying Conditions**

**Unemployment allowance:** Must be involuntarily unemployed as the result of retrenchment or a nonwork-related permanent disability. The insured must have at least 3 years of contributions.

**Social assistance:** A member of a beneficiary household must volunteer to do unskilled manual work in qualified rural areas.

### **Unemployment Benefits**

**Unemployment allowance:** 50% of the insured's average wages is paid for up to 1 year.

Access to medical care is also provided to beneficiaries and their dependents.

**Social assistance:** At least 100 days of unskilled manual work at minimum wage are guaranteed.

### **Administrative Organization**

Employees' State Insurance Corporation (<http://www.esic.nic.in>), managed by a tripartite board and a Director General, administers the program through regional and local offices.

Ministry of Rural Development administers the National Rural Employment Guarantee (<http://www.nrega.nic.in>).