Nepal

Exchange rate: U.S.\$1.00 equals 78.05 rupees.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1962. Current law: 1996. Type of program: Provident fund system.

Coverage

Compulsory coverage for government employees and voluntary coverage for any organization with 10 employees or more.

Source of Funds

Insured person: 10% of earnings. Employer: 10% of payroll. Government: None.

Qualifying Conditions

Old-age benefit: Termination of employment, or retirement.

Personal accident insurance: In case of the permanent disability or accidental death of the fund member.

Survivor benefit: Death of the fund member.

Old-Age Benefits

A lump sum equal to employer and employee contributions, plus 7.25% interest a year with additional profit-sharing benefits for a varying number of years up to 9 years based on the employee's net provident fund balance at the time of retirement and the number of years of employment between April 15, 1996, and retirement.

Drawdown payment: Fund members may draw down up to 60% of total employer and employee contributions after 5 years' contributions. (Funds withdrawn may be deposited again as a lump sum or in installments.)

Permanent Disability Benefits

Personal accident insurance: A lump sum of 50,000 rupees in case of the permanent disability or accidental death of the fund member.

Survivor Benefits

100% of the deceased fund member's lump-sum benefit. The benefit is payable to a named survivor or to the heirs of the deceased.

Funeral grant: 4,000 rupees on the death of the covered fund member.

Administrative Organization

Ministry of Finance provides general supervision. Employees Provident Fund administers the program.

Work Injury

Regulatory Framework

First law: 1959.

Current law: 1963.

Type of program: Employer-liability system involving statutory insurance with a private carrier.

Coverage

Employees of factories with 10 workers or more. Special system for miners.

Source of Funds

Insured person: None.

Employer: Total cost met through the direct provision of benefits or the payment of insurance premiums.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

50% of earnings. Benefit is payable from the first day of incapacity.

Permanent Disability Benefits

See temporary disability benefits, above.

Partial disability: A lump sum of 2 to 3 years' earnings according to the schedule in law.

Survivor Benefits

Two years' earnings payable to dependent family members in installments.

Administrative Organization

Labor Department enforces the law.