

Ethiopia

Exchange rate: US\$1.00 = 16.49 birr.

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1963 (public employees), 2011 (public employees), and 2011 (private-sector employees).

Type of program: Social insurance system.

Note: The regulations governing public employees' pensions and private sector pensions are identical, but private sector pensions are administered by a separate agency. The new laws were implemented on June 24, 2011.

Coverage

Employees in the public and private sectors, including military and police personnel.

Voluntary coverage for the self-employed in the private sector scheme.

Source of Funds

Insured person: 7% (public sector) or 5% (private sector, gradually rising to 7% by 2013) of basic salary.

The insured's contributions also finance work injury benefits.

Self-employed person: Voluntary contributions.

Employer: 11% (public sector), 7% (private sector, gradually rising to 11% by 2015), or 24% (military) of payroll.

The employer's contributions also finance work injury benefits.

Government: None; contributes as an employer.

Qualifying Conditions

Old-age pension: Age 60 with at least 10 years of contributions.

Early pension: Age 55 with at least 25 years of contributions (civilian); aged 45 to 55 (depending on rank) with at least 10 years of contributions (military).

Old-age settlement: Age 60 and does not meet the qualifying conditions for the old-age pension.

Disability pension: The insured must be assessed with an incapacity for normal gainful employment and have at least 10 years of service and contributions.

Disability settlement: The insured must be assessed with an incapacity for normal gainful employment and have less than 10 years of service and contributions.

Survivor pension: The deceased met the contribution conditions for the old-age pension or was a pensioner at the time of death.

Eligible survivors are the widow(er), children younger than age 18 (age 21 if disabled), and dependent parents.

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

Survivor settlement: Paid to eligible survivors if the deceased had less than 10 years of service and contributions and was not eligible for a pension.

Eligible survivors are the widow(er) and children younger than age 18 (age 21 if disabled).

Old-Age Benefits

Old-age pension: The pension is 30% of the insured's average monthly basic salary in the last three years before retirement plus 1.25% (civilian) or 1.6% (military) of the insured's average monthly basic salary for each year of service exceeding 10 years.

The minimum monthly pension is 294 birr.

The maximum monthly pension is 70% of the insured's average monthly basic salary.

Early pension: The pension is calculated in the same way as the old-age pension.

Old-age settlement: A lump sum of the insured's basic salary in the month before retirement multiplied by the number of years of contributions is paid.

Permanent Disability Benefits

Disability pension: The pension is 30% of the insured's average monthly basic salary in the last three years before the disability began plus 1.25% (civilian) or 1.6% (military) of the insured's average monthly basic salary for each year of service exceeding 10 years.

The maximum monthly pension is 70% of the insured's average monthly basic salary.

Disability settlement: A lump sum of the insured's basic salary in the month before the disability began multiplied by the number of years of contributions is paid.

Survivor Benefits

Survivor pension: 50% of the deceased's monthly pension is paid to the widow(er).

Orphan's pension: 20% of the deceased's pension is paid for each eligible orphan; 30% for full orphans.

Dependent parent's pension: 15% of the deceased's pension is paid to each eligible parent; 20% if there are no other eligible survivors.

Survivor settlement: A lump sum is paid to eligible survivors in the same proportion as the other survivor benefits.

Administrative Organization

Social Security Agency, managed by a board and a director general, administers the public employees' pension scheme.

Private Organization Employees Social Security Agency, managed by a tripartite board, administers the private sector pension scheme.

Sickness and Maternity

Regulatory Framework

No statutory benefits are provided.

The public service amendment proclamation (2002) and the labor proclamation (2003) require employers to provide paid sick leave for up to three months. 100% of earnings is paid for the first month; thereafter, 50% of earnings.

The public service amendment proclamation (2002) and the labor proclamation (2003) require employers to provide paid maternity leave for up to 45 days after childbirth; thereafter, sick leave may be paid if there are complications arising from childbirth.

Work Injury

Regulatory Framework

First and current law: 1963 (public employees).

Type of program: Social insurance system.

The labor proclamation (2003) allows for the provision of private insurance for public-sector employees.

Coverage

Employees in the public and private sectors, including military and police personnel.

Voluntary coverage for the self-employed.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors.

Self-employed person: Voluntary contributions.

Employer: See source of funds under Old Age, Disability, and Survivors.

Government: See source of funds under Old Age, Disability, and Survivors.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

A lump sum of 47% of the insured's monthly basic salary multiplied by five years multiplied by the assessed degree of disability is paid.

Permanent Disability Benefits

Permanent disability pension: 47% to 70% of the insured's monthly basic salary is paid according to the assessed degree of disability.

If the value of the disability pension is less than or equal to the insured's entitlement to the old-age pension, the old-age pension is paid, up to 70% of the insured's monthly basic salary.

Survivor Benefits

Survivor pension: 50% of the deceased's pension is paid to the widow(er).

The pension ceases on remarriage if the widow is younger than age 45 (age 50 for a widower, no limit if disabled).

Orphan's pension: 20% of the deceased's pension is paid for each eligible orphan; 30% for full orphans.

Dependent parent's pension: 15% of the deceased's pension is paid to each eligible dependent parent; 20% if there are no other eligible survivors.

Administrative Organization

Social Security Agency, managed by a board and a director general, administers the public employees' pension scheme.

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