

Papua New Guinea

Exchange rate: US\$1.00 = 1.99 kina.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1980 (National Provident Fund Act).

Current law: 2000 (Superannuation, General Provisions Act), implemented in 2002.

Type of program: Mandatory occupational retirement system.

Coverage

Employed persons in firms with 15 or more employees.

Exclusions: Casual workers with employment contracts of less than three months, and household workers.

Voluntary coverage for noncitizens, self-employed persons, and employed persons in firms with fewer than 15 employees (if their employer agrees to join the fund).

Source of Funds

Insured person: 6% of gross earnings.

Self-employed person: Voluntary contribution of at least 20 kina.

Employer: 8.4% of gross earnings.

Government: None.

Qualifying Conditions

Old-age benefit: Age 55 and retired from active employment; at any age after a one-year waiting period.

A member may make a full withdrawal if unemployed and not contributing for 12 months; a partial withdrawal if not contributing for three months.

Housing drawdown payment: Younger than age 55 with at least five consecutive years of contributions.

Disability benefit: Assessed with a total permanent incapacity.

Survivor benefit: Paid to a named survivor when the insured dies before retirement.

Old-Age Benefits

Old-age benefit: A lump sum of total employee and employer contributions plus interest is paid.

If an unemployed fund member has less than 1,000 kina in the account, the total amount can be withdrawn after three months.

Housing drawdown payment: Funds may be drawn down to purchase or build a house or to pay for repairs, maintenance, or extensions to an existing house. Members must make an additional monthly contribution of 2% of gross earnings to repay the loan.

Permanent Disability Benefits

Disability benefit: A lump sum of total employee and employer contributions plus interest is paid.

Survivor Benefits

Survivor benefit: A lump sum of total employee and employer contributions plus interest is paid.

Administrative Organization

Bank of Papua New Guinea (<http://www.bankpng.gov.pg>) regulates the superannuation funds.

Superannuation funds are responsible for the administration of contributions and benefits and the investment of funds.

Trustees of authorized superannuation funds appoint licensed investment managers and administrators.

Directors, investment managers, and fund administrators oversee the management, investment, and administration of superannuation funds.

Sickness and Maternity

Regulatory Framework

Limited medical services are available free of charge or at nominal cost in government clinics and hospitals.

The 1981 Employment Act requires employers to provide sick leave and maternity leave to employees.

Work Injury

Regulatory Framework

First law: 1958.

Current law: 1978 (workers' compensation).

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

Coverage

All employees, including household workers. (Workers are covered while traveling to and from work.)

Exclusions: Self-employed persons and casual workers.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost is financed through the direct provision of benefits or payment of insurance premiums.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Information is not available.

Permanent Disability Benefits

Permanent disability pension: The weekly pension is 80% of average weekly earnings.

The minimum annual earnings used to calculate benefits are 625 kina.

The maximum annual earnings used to calculate benefits are 1,875 kina.

The minimum weekly pension is 18 kina.

The maximum weekly pension is 75 kina plus 10 kina for each dependent child if the insured has a fully or partially dependent spouse; 65 kina for a single person. The maximum pension is 100% of the insured's earnings.

The maximum employer liability for total disability is 22,000 kina.

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

The maximum employer liability for partial disability is 25,000 kina.

Workers' Medical Benefits

Medical benefits include the reasonable cost of treatment, medicine, hospitalization, surgery, transportation, appliances, and specialist treatment, up to a maximum.

Survivor Benefits

Survivor grant: A lump sum of eight times the deceased's annual earnings at the time of injury plus 10 kina a week for each dependent child is paid.

The minimum grant is 8,750 kina plus 10 kina a week for each dependent child.

The maximum grant is 25,000 kina plus 10 kina a week for each dependent child.

Eligible survivors include all family members (children younger than age 16) who were totally or partially dependent on the deceased's earnings and any person who by custom has a right to share compensation.

The insured's spouse and children must receive at least 50% of the survivor grant. A court may decide eligibility and the amount paid to each other survivor.

Funeral grant: Up to 750 kina is paid for the cost of the funeral.

Administrative Organization

Department of Labor and Industry administers the program.