

Papua New Guinea

Exchange rate: US\$1.00 = 3.12 kina.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1980 (provident fund).

Current law: 2000 (superannuation), implemented in 2002.

Type of program: Mandatory occupational retirement system.

Coverage

Employed persons in firms with at least 15 employees.

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

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

Source of Funds

Insured person: At least 6% of gross monthly earnings.

Self-employed person: At least 20 kina a month.

Employer: At least 8.4% of gross monthly payroll. Additional voluntary contributions are possible, up to 15% of gross monthly payroll.

Government: None.

Qualifying Conditions

Old-age benefit: Age 55; at any age if permanently emigrating or if unemployed and not contributing for at least three months (partial withdrawal) or at least 12 months (full withdrawal). (If an unemployed fund member has less than 1,000 kina in the account, the total amount can be withdrawn after three months.)

Employment must cease.

Housing drawdown: 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 accrued interest minus

drawdown payments is paid. The benefit is taxable and the insured must pay a 20 kina exit fee. If permanently emigrating, the amount is paid after 12 months.

Partial withdrawal: A lump sum of 200 kinas or 50% of the insured's last monthly earnings, whichever is greater, is paid.

Housing withdrawal: Up to 100% of the member's paid contributions 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 accrued interest minus drawdown payments is paid.

Survivor Benefits

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

Administrative Organization

Bank of Papua New Guinea (<https://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

First and current law: 1978 (labor law).

Type of program: Employer-liability system. Cash sickness benefits only.

Coverage

Private-sector employees.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost.

Government: None.

Qualifying Conditions

Cash sickness benefits (employer liability): Must have been employed for at least six months.

Cash maternity benefits: No statutory benefits are provided.

Sickness and Maternity Benefits

Sickness benefit (employer liability): 100% of the employee's usual earnings is paid for up to 18 days.

Maternity benefit: No paid statutory benefits are provided. Labor law requires employers to provide six months of unpaid maternity leave.

Workers' Medical Benefits

Government clinics and hospitals provide free primary health care to the population.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Cash sickness benefits: Department of Labor and Industrial Relations provides general supervision.

Employers pay benefits.

Medical benefits: National Department of Health (<http://www.health.gov.pg/>) provides general supervision.

Provincial and local governments administer medical benefits.

Work Injury

Regulatory Framework

First law: 1958.

Current law: 1978 (workers' compensation).

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

Coverage

Employed persons, 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: Pays the total cost of insurance premiums or directly provides benefits to the insured.

Government: None.

Qualifying Conditions

There is no minimum qualifying period.

Temporary Disability Benefits

Information is not available.

Permanent Disability Benefits

Permanent disability pension: The weekly pension for a total disability 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 pension is 100% of the insured's earnings or 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), whichever is less.

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

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

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 when the injury occurred or the occupational disease began 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 Industrial Relations administers the program.

Unemployment

Regulatory Framework

Superannuation fund members may draw down a portion of their account balance during periods of unemployment. See Old Age, Disability, and Survivors