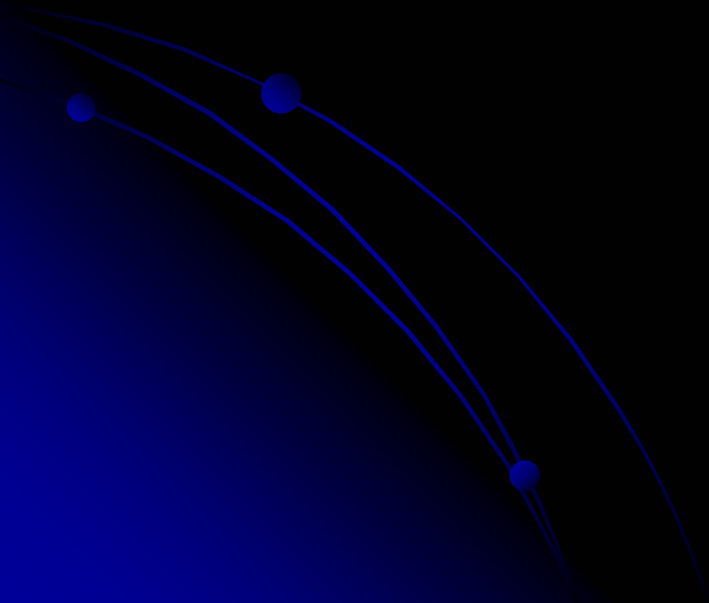


SOCIAL SECURITY SCHEMES FOR INFORMAL SECTOR EMPLOYEES IN SRI LANKA



**Presented by
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Social Security Schemes for Informal sector

- ❖ Farmers pension and social security benefit scheme Act no 12 of 1987
- ❖ Fishermen Pension and social security benefit scheme Act 23 of 1990
- ❖ Pension and social security scheme for the self employed
- ❖ Social Security Board Act No 17 of 1966

Farmer Pension & Social Security Scheme

Objectives and Target

- To provide social security to peasant farmers who operate on a subsistence level, during their old life or disability and to their families.
- Primary target was 2 million.



Administraton of the Fund

- Scheme is administered and managed by AAIB
- District Level by District Offices
 - ✓ Field Officers
 - ✓ Clerical Officers
 - ✓ Development Officers

Rules of eligibility for membership in the farmers' pension and security benefit scheme.

Occupation category	Ownership of land	Minimum age	Maximum age	Other qualification	Age at which pension is payable
Cultivation of:	Tea - less than 2 acres			Non-entitlement to a pension/benefit under EPF	On completion of 60 years if enrolled at 18-54
Paddy					
Subsidiary crops					
Other cereals					
Vegetable & other filed Crops		18	59		
Roots & tuber crops	Rubber-less than 2 acres			Non beneficiaries or pensioners under EPF/ETF	On completion of 5 year from the date of joining scheme if enrolled at 55-59 years of age
Fruits					
Betel	Coconut-less than 2 acres			Non-entitlement to benefit upon death of spouse	
Sugarcane					
Owner cultivators					
Lessee Cultivators					
Tenant Cultivators	Mixed crops less than 3 acres			Non-income tax payers	
Livestock Cultivators					
Farm labourers					

Contribution

- ❖ Regular basis until reaching vesting age.
(A pass book and a policy issued)
- ❖ Discount basis – life time payment in the year of enrolment. (A discount certificate and a policy issued)
 - Option 1 – Outright deposit of the full discounted sum .
 - Option 2 – Two or Four installments over a period of 12 month.

1 = Age

2 = No of instalments

3 = Amt payable

4 = Total amt payable as half yearly instalments until age 60 (Rs)

5 = Percentage of discount

6 = Total amt payable under discount system (Rs)

7 = Amt of monthly pension

1	2	3	4	5	6	7
18	84	130	10,920	75	2,720	4,167
19	82	135	11,070	75	2,810	3,833
20	80	140	11,200	74	2,900	3,500
21	78	145	11,310	74	2,980	3,167
22	76	150	11,400	73	3,060	3,000
23	74	155	11,470	73	3,140	2,833
24	72	160	11,520	72	3,210	2,667
25	70	165	11,550	72	3,280	2,500
26	68	170	11,560	71	3,350	2,333
27	66	175	11,550	70	3,420	2,167

28	64	180	11,520	70	3,480	2,000
29	62	185	11,470	69	3,540	1,833
30	60	190	11,400	69	3,590	1,669
31	58	200	11,600	68	3,740	1,583
32	56	215	12,040	67	3,980	1,500
33	54	225	12,150	66	4,120	1,417
34	52	235	12,220	65	4,240	1,367
35	50	250	12,500	64	4,450	1,333
36	48	260	12,480	63	4,560	1,317
37	46	270	12,420	62	4,660	1,300

38	44	285	12,540	62	4,740	1,283
39	42	295	12,390	60	4,910	1,267
40	40	305	12,200	59	4,980	1,250
41	38	320	12,160	58	5,110	1,233
42	36	335	12,060	57	5,230	1,217
43	34	360	12,240	55	5,480	1,200
44	32	380	12,160	54	5,630	1,183
45	30	400	12,000	52	5,740	1,167
46	28	430	12,040	50	5,970	1,150
47	26	455	11,830	49	6,080	1,133

	48	24	490	11,760	49	6,280	1,117
	49	22	525	11,550	45	6,410	1,100
	50	20	545	10,900	42	6,290	1,083
	51	18	565	10,170	40	6,120	1,067
	52	16	590	9,440	37	5,930	1,050
	53	14	640	8,960	34	5,890	1,033
	54	12	700	8,400	31	5,780	1,017
	55-59	10	690	6,900	28	4,990	1,000

Pension entitlements

- ❖ Standard Pension entitlement
- ❖ Reduced Pension entitlement
- ❖ Survivor benefits



Number of pensioners and amount paid as pension.

Year	No. of pensioners	Rs. Paid as pension
1992	567	1,711,500
1993	1,137	6,598,702
1994	1,546	14,570,491
1995	2,177	27,763,881
1996	3,643	59,135,217
1997	4,758	103,813,301
1998	5,566	172,405,250
1999	6,712	246,604,072
2000	7,967	335,189,272
2001	10,366	116,202,030
2002	14,271	679,073,598

Source : AAIB administration data

Social Security benefits

- ❖ Disability benefits
- ❖ Disablement gratuity
- ❖ Death gratuity

Gratuities payable under disablement benefit, farmers' scheme

Age at next date of birth after disablement or death	Permanent partial disablement (Rs)	Permanent total disablement (Rs)	Death (Rs)
Up to 33	50,000	25,000	25,000
34-43	40,000	20,000	20,000
44-51	30,000	15,000	15,000
52-56	20,000	10,000	10,000
57-60	16,000	8,000	8,000
55-59 category	12,000	6,000	6,000

Enrolments in farmers' pension scheme

Year	New enrollees	Cumulative total	Annual increase (%)
1987	13,459	13,459	-
1988	21,810	35,269	162
1989	9,455	44,724	27
1990	38,712	83,436	87
1991	86,094	169,530	103
1992	45,004	214,534	27
1993	17,762	232,269	8
1994	10,973	243,269	5
1995	15,952	259,221	7
1996	45,404	304,625	18
1997	28,915	333,540	9
1998	94,243	427,783	28
1999	80,120	507,903	19
2000	68,334	576,237	13
2001	72,208	648,445	13

Exit Procedures

- ❖ Employment in government sector
- ❖ Employment in private sector
- EPF / ETF
- ❖ Shift to a higher income level

Fishermen pension and social security

Objectives

- ❖ TO provide social security to fishermen during old age or disability and to their families given the risky nature of their occupation.
- ❖ Provide relief to dependents of fishermen upon death
- ❖ Promote habit of saving and thrift among fishermen
- ❖ Primary target -11,5000
- ❖ Enrolments at present -51,000

Administration

- ❖ Administration and manager by AAIB
- ❖ District Headed by District Office of Department of Aquatic Resources Development
 - ❖ Fisheries Inspectors
 - ❖ Fisheries extension officers

Contribution

➤ Regular basis until reaching vesting age.
➤ (A pass book and a policy issued)

➤ Discount basis – life time payment in the year of enrolment. (A discount certificate and policy issued)

Option 1 – Outright deposit of the full discounted sum .

Option 2 – Two or Four instalments over a period of 12 months.

Contribution and pension schedule of fishermen's pension and social security Benefit scheme

1. Age
2. No. of installments
3. Amount payable as quarterly instalment (Rs)
4. Total amount payable as quarterly instalment unit age 60 (Rs)
5. % of discount
6. Total amount payable under discount system (Rs)
7. Amount of monthly pension (Rs)

Contribution and pension schedule of fishermen's pension and social security Benefit scheme

1	2	3	4	5	6	7
18	168	65	10,920	75	2,720	4,167
19	164	68	11,152	75	2,810	3,834
20	160	70	11,200	74	2,900	3,500
21	156	73	11,388	74	2,980	3,167
22	152	75	11,400	73	3,060	3,000
23	148	78	11,544	73	3,140	2,834
24	144	80	11,520	72	3,210	2,667
25	140	83	11,620	72	3,280	2,500
26	136	85	11,560	71	3,350	2,334
27	132	88	11,616	70	3,420	2,167
28	128	90	11,520	70	3,480	2,000
29	124	93	11,532	69	3,540	1,834
30	120	95	11,400	69	3,590	1,667
31	116	100	11,600	68	3,740	1,584
32	112	108	12,096	67	3,980	1,500
33	108	113	12,204	66	4,120	1,417
34	104	118	12,272	65	4,240	1,367

36	96	130	12,480	63	4,560	1,317
37	92	135	12,420	62	4,660	1,300
38	88	143	12,584	62	4,740	1,284
39	84	148	12,432	60	4,910	1,267
40	80	153	12,240	59	4,980	1,250
41	76	160	12,160	58	5,110	1,234
42	72	168	12,096	57	5,230	1,217
43	68	180	12,240	55	5,480	1,200
44	64	190	12,160	54	5,630	1,184
45	60	200	12,000	52	5,740	1,167
46	56	215	12,040	50	5,970	1,150
47	52	228	11,856	49	6,080	1,134
48	48	245	11,760	49	6,280	1,117
49	44	263	11,572	45	6,410	1,100
50	40	273	10,920	42	6,290	1,084
51	36	283	10,188	40	6,120	1,067
52	32	295	9,440	37	5,930	1,050
53	28	320	8,960	34	5,890	1,034
54	24	350	8,400	31	5,780	1,017

Benefits

- Standard Pension
- Survivor benefits
- Disablement benefits

Gratuities payable under disablement benefit, fishermen's scheme

Age at next date of birth after disablement or death (year)	Permanent partial disablement (Rs)	Permanent total disablement (Rs)	Death (Rs)
Up to 33	50,000	25,000	25,000
34-43	40,000	20,000	20,000
44-51	30,000	15,000	15,000
52-56	20,000	10,000	10,000
57-60	16,000	8,000	8,000
55-59 category	12,000	6,000	6,000

Trends in enrolment and pensioners, fishermen's scheme, 1991-2002

Year	Enrolments during year	Increase in total enrolments(%)	New pensioners
1991	7,506	-	-
1992	7,099	95	-
1993	2,900	20	-
1994	5,908	34	-
1995	2,600	11	-
1996	5,250	20	96
1997	3,214	10	41
1998	2,289	7	26
1999	3,527	10	56
2000	3,110	8	65
2001	3,573	8	78
2002	1,399	3	58
Total	48,375	-	420

Pension and Social Security Benefit Scheme for the Self-Employed



OBJECTIVES OF THE SCHEME

- To provide social security to self-employed persons during old age and disability
- To provide relief to dependents of self-employed persons upon death
- To encourage them to be in their profession and develop capabilities and skills
- To encourage youth to be self-employed and develop capabilities and skills
- To educate self-employed persons on the benefits of thrift and resource management
- To improve the living standards of self-employed person

Administration

- ❖ **Board of director**
- ❖ **Chairman is the C E O**
- ❖ **District level coordination by Divisional Secretaries**
- ❖ **Social Service officers other Field Officer**

Contribution

- Option 1- By monthly installments
- Option 2- By one off payment
- Option 3- By four instalments during the year of enrolment

Benefits

- Pension benefits on completion of age 60
- In case of the death of the
- member pension to the spouse till he/she complete age 80



Insurance benefits

- Permanent total disablement benefit
- Permanent partial disablement benefit
- Death gratuity disablement benefit

OCCUPATIONAL CATEGORY

- Production excluding primary produce of agriculture, fisheries and livestock
- Forestry and hunting
- Mining and quarrying
- Manufacturing
- Storage and packing
- Building and construction
- Electricity, gas and water
- Transport
- Repair and maintenance
- Trade and commerce
- Insurance and banking
- Real estate and business services
- Communications
- Community, social and personal services
- Occupation in any other sector excluding
- Those covered by Farmers' and Fishermen's
- Social Security Benefit Scheme Acts

ELIGIBILITY

Age		Other Qualifications	Age at which pension is payable
Min	Max		
18	59	Non-entitlement to a pension/ benefit under EPF Not beneficiaries or pensioners under death of spouse Non-income tax payers	On completion of 60 years if enrolled at 18-54 years of age On completion of 5 years from the date of joining scheme if enrolled at 55-59 years of age

Death Gratuities and Disablement Payment

Age at enrolment (Year)	Age as at the disablement	Gratuity Total disablement	Gratuity
18-54	18-33	50,000	25,000
	34-43	40,000	20,000
	44-51	30,000	15,000
	52-56	20,000	10,000
	57-60	16,000	8,000
55-59	55-60	12,000	6,000

THANK YOU

