

Social Security Schemes Operational Directives, 2075

First Amendment 2076 (July 14, 2019)

Social Security Schemes Operational Directives, 2075 (the “**Directive**”) which was approved by the Ministry of Labor, Employment and Social Security on November 22, 2018 (2075/08/06), has been amended on July 14, 2019 (2076/03/29).

The changes that have been brought by the new directives have been incorporated in the following comparison table.

Comparison Table

| S.N. | Section/Issue | Previous Provision | Key Amended Provision |
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| A. Medical, Health and Maternity Safety Scheme | | | |
| 1. | Grace Period for coverage of Medical Treatment, Health and Motherhood Protection Scheme (Sec. 4) | • Contribution for at least 6 months required to be eligible for medical treatment and health safety scheme. | The time period for contribution has been reduced to 3 months from 6 months and the contributor will be eligible for both Medical and Maternity Schemes. This coverage is extended till 3 months after the contributor stops making contribution in SSF. |
| | | • Contribution for 12 (twelve) months within a period of 18 (eighteen) months was required to be eligible for the benefit for Maternity Scheme. | Removed |
| 2. | Permissibility to obtain similar benefits from other Schemes. (Sec. 6(6)) | No provision. | Contributors receiving health benefits under Social Security Scheme are not prevented from obtaining any other health related benefits from Nepal Government or under any other insurance schemes. |
| B. Accident and Disability Protection Scheme | | | |

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| 3. | Coverage of Employment related accidents and occupational diseases (Sec. 10(2), 10(3)) | <ul style="list-style-type: none"> The coverage for the treatment in case of employment related accidents shall begin from the date of enrollment in SSF. | <ul style="list-style-type: none"> The coverage for the treatment in case of employment related accidents beginning from the date when SSF starts receiving contribution after enrollment in SSF. Benefit will not be available once the contribution is stopped. |
| | | | <ul style="list-style-type: none"> The contributor shall receive benefit relating to occupational disease for up to 2 years after the date the contribution is stopped. |
| 4. | Coverage of Non Employment related accidents (Section 10(1), 11(2)) | <ul style="list-style-type: none"> SSF will only bear medical expenses upto NPR 700,000 (Seven Hundred Thousand) in case of accidents other than employment related | <ul style="list-style-type: none"> However, in case the beneficiary is entitled to insurance coverage of upto NPR 700,000 (Seven Hundred Thousand) or above from any other sources, SSF will not bear the costs. In case the beneficiary is entitled to insurance coverage less than NPR 700,000 (Seven Hundred Thousand), SSF will bear the remaining costs. Further the participants are deemed to have enrolled in this scheme from the date SSF starts receiving contribution. The benefit will not be available once the contribution is stopped. |
| C. Dependent Family Protection Scheme | | | |
| 5. | Scope of entitlement (Section 15(1) and 15(2)) | <ul style="list-style-type: none"> Spouses of the contributors entitled to receive pension in case of death of contributors due to Accident or Occupational Diseases. | <ul style="list-style-type: none"> Spouses of the contributors entitled to receive pension in case of death of contributors due to any reasons |
| | | <ul style="list-style-type: none"> The spouses may receive pension benefit by submitting an application at the fund in case their employment comes to an end. | <ul style="list-style-type: none"> The spouses may receive pension benefit by submitting an application at the fund in case their employment comes to an end and they are not entitled to pension benefits from any other |

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| | | | sources. |
| 6. | Funeral Expenses (Sec. 18) | Contributor who dies or dies after being permanently disabled was entitled to this benefit. | Contributor who dies or dies after being both temporarily or permanently disabled are entitled to this benefit. |
| D. Old Age Protection Scheme | | | |
| 7. | Provident Fund and Gratuity of the past period (Sec. 19(3), 19(4)) | <ul style="list-style-type: none"> • The employees were required to receive payments of gratuity prior to September 4, 2017 (2074/05/19) and deposit the gratuity in SSF thereafter. • No similar provision was in place on provident fund of the past period | <ul style="list-style-type: none"> • The existing employee (the employee whose provident fund and gratuity has been deposited in any fund or with the employer prior to the contribution to SSF) has the option whether or not to transfer the provident fund and gratuity to SSF. • If the employee does not want to transfer the amount to SSF he/she may: <ul style="list-style-type: none"> (a) get it paid out or (b) continue to maintain the amount in the retirement fund where it has been deposited. |
| 8. | Participation in Pension Scheme (Sec. 20(b)) | <p>Employees hired after July 17, 2019.</p> <p>Existing employees if they agree on participation under Collective Bargaining Agreement</p> | <p>The employees hired after July 17, 2019</p> <p>Existing employees if they apply in writing for the participation (NO CBA REQUIRED)</p> |
| 9. | Payment in the case of total length of contribution is less than the required months. (Sec. 22(2)) | No Provision. | <p>Contributor reaching the age of sixty (60) years before making 180 months of contribution has two options</p> <p>(a) receive lump sum amount consisting of principal with the accrued income or</p> <p>(b) receive pension for lifetime calculated by multiplying the sum (contribution + accrued income) by 180.</p> |
| 10. | Retirement Benefit (Sec. 23(1)) | Existing employees are entitled to the Retirement Benefit. | Employees who do not elect to participate in the Pension Scheme are entitled to Retirement Benefit. |
| 11. | Foreign employees | No Provision. | <ul style="list-style-type: none"> • After termination of employment |

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| | allowed to withdraw the amount under Old Age Protection Scheme (Sec. 24A) | | <p>relationship, foreign employees, at any time, can withdraw the amounts available under Old Age Protection Scheme.</p> <ul style="list-style-type: none"> • In case of death of such foreign national before receiving the benefit, SSF would pay the amount to the person designated by such foreign employee or his legal heir. • Nepali nationals renouncing their citizenship of Nepal can take back the amount like foreign nationals. |
| 12. | Benefit under Pension Scheme to the spouses (Sec. 24C) | No Provision. | <p>In case of death of the contributor before completion of 180 months from the of date of beginning of receiving the pension, his/her spouse would be entitled to receive 50% of total monthly pension received by the contributor if:</p> <p>(a) the spouse has no alternative employment or</p> <p>(b) has not receiving pension in any other sources.</p> <p>If the marital relation ends with such contributor, the spouse shall not be entitled to the pension.</p> |
| 13. | Other pension allowed (Sec. 24D) | No Provision. | A person receiving pension from Nepal government or other sources may obtain pension from SSF, if he/she has made contribution to SSF and is eligible for pension. |
| 14. | Voluntary participation after 60 years (Sec. 24E) | No Provision. | A person, who has completed the age of 60 but is still maintaining employment relationship, can voluntarily participate in SSS. |
| 15. | Contribution for the continuity of benefits | No Provision. | A person who has not attained eligible age for pension may continue to make contribution on |

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| | (Sec. 34A) | | SSF even after leaving a job or in between two jobs. Such contribution shall entitle the employee to receive the benefits. |
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