



International
Labour
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Employment Injury Schemes – the ILO Perspective

Ariel Pino
Social Protection and OSH Specialist
ILO Office for the Caribbean
pino@ilo.org

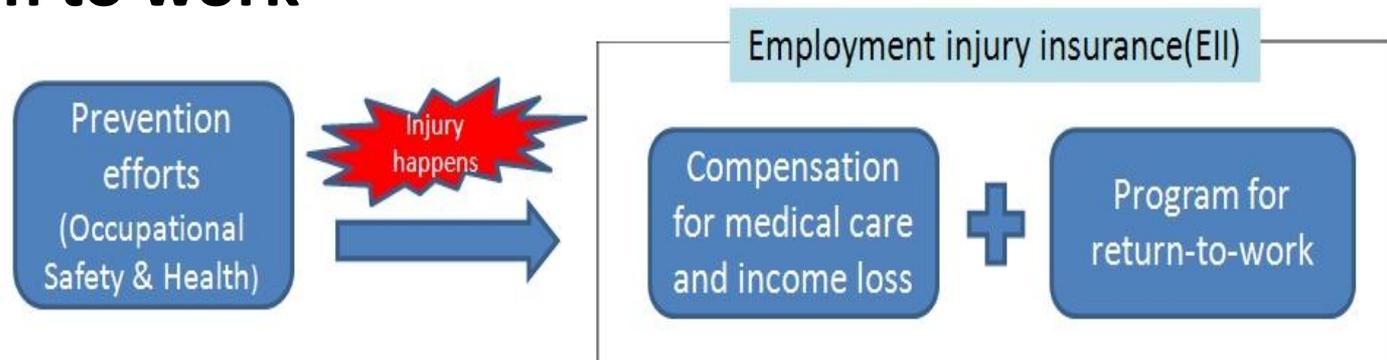
Employment Injury Schemes

- Oldest form of social security coverage and the most widespread in the world
 - benefits to workers who are injured on the job or who develop occupational diseases, as well as survivors' benefits for families of victims of occupational fatalities.
- recently, they have extended their approach to incorporate the notion of prevention by encouraging workplace improvements in OSH or by actively supporting and financing awareness-raising and prevention activities

Functions of EI schemes

EI schemes provide three main functions:

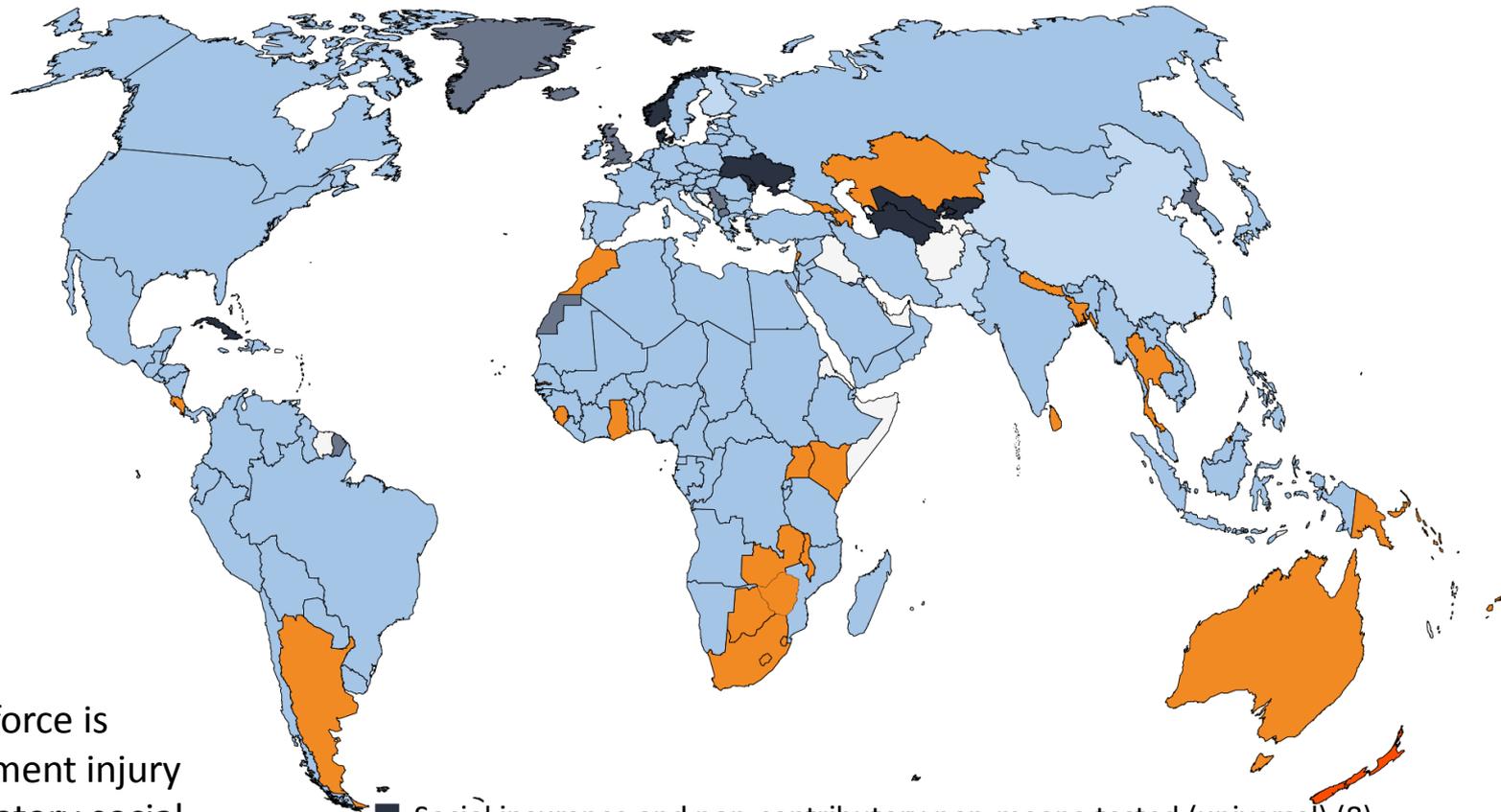
- **Prevention**, to reduce the number of workplace accidents and diseases
- **Rehabilitation**, so that the individuals affected can if possible return to work
- **Compensation**, where individual workers have lost out earnings
- **Return to work**



Different approaches

- **Social Insurance-based** scheme
- **Employers' liability-based** schemes
 - Direct compensation by the employers
 - Private schemes (mandatory/voluntary)
- **Non-contributory-based** schemes
 - Universal (tax-based etc.)
 - Social Assistance
- Combination of the above schemes

Employment injury protection: distribution by type of programme, 2012-13



34 % of the labour force is covered by employment injury laws through mandatory social insurance. If voluntary social insurance coverage and employer liability provisions are included, 39 % of the labour force is covered by law.

- Social insurance and non-contributory non-means-tested (universal) (8)
- Social insurance and non-contributory means-tested (social assistance) (3)
- Social insurance only (125)
- Social insurance and employer liability (5)
- Non-contributory non-means-tested (universal) and employer liability (1)
- Employer liability including 2 countries with social assistance (34)
- No answer

Employer-liability systems

- Are based on the premise that employers are liable in some circumstances for disabilities caused to their employees
- Individual employers are therefore responsible for putting in place compensation measures for work-related accidents and illnesses
- In most cases, employers are legally obliged to have liability cover, although in some jurisdictions this remains voluntary
- Employers obtain cover by purchasing an insurance policy (or less commonly by placing a deposit with the government)

Social insurance-based EI schemes

- Involves the creation of a national fund for employment injury and disease
- Scheme is usually held under public administration, and often administered by a tripartite board including the social partners
- Contributions into the fund generally come from employers, sometimes from employees and government
- A government agency usually has responsibility for collecting the contributions, assessing claims, making compensation payments and generally overseeing the financial sustainability of the fund

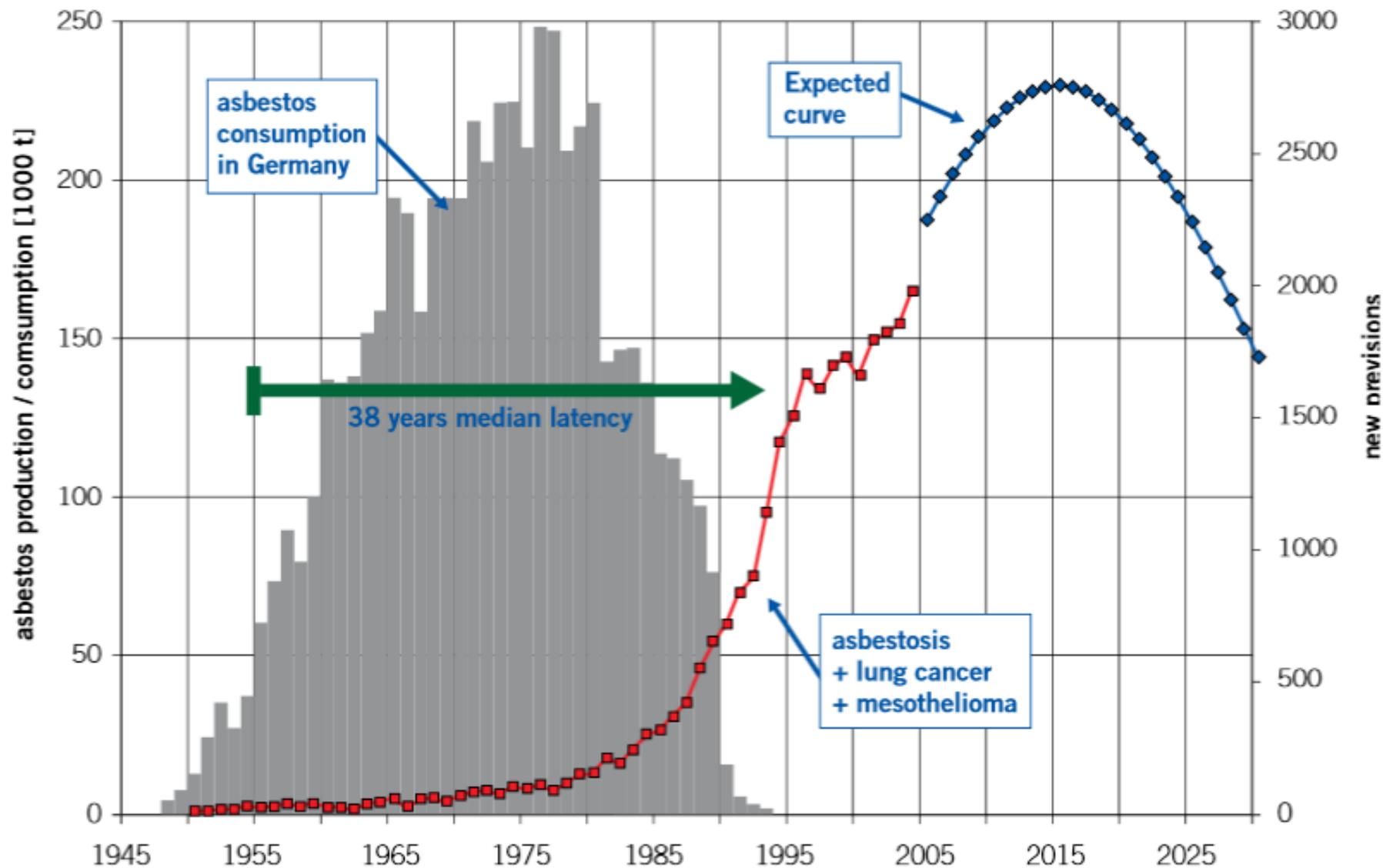
Differences

- The right to receive benefits within a private insurance programme is contractual, based on the agreed insurance contract
- The insurer generally does not have a unilateral right to change or terminate coverage before the end of the contract period (except, of course, in the case of non-payment of premiums)
- Social insurance programmes are based generally on statute rather than contractual law, and the right to benefits is statutory, as laid down by the government

Differences cont'd

- Individually purchased private insurance generally must be fully funded, with employers' contributions
- Social insurance programmes are not necessarily fully funded. Any fund shortfalls are met from compensations and general state funds
- Social insurance is centred on a collective sense of solidarity and social justice within a society
- Private insurance adopts a more individualistic approach, focused on the individual claims process
- Private insurers not always involved in prevention

Graph 1: Implications of long latency in asbestos-related diseases, Germany



Source: German Social Accident Insurance (DGUV)

Employers' contributions

- Wide divergence between countries in the levels of contributions which employers pay to participate in EI schemes
 - 0.17 per cent in Malawi
 - 0.3 to 4 per cent in Finland
 - 3.9 per cent in Namibia
 - 1 to 7 per cent in Germany
 - 0.5 to 10 per cent in Belgium
- May be uniform across all employers or weighted towards companies in high risk industries and sectors (mining, construction, transport and agriculture have higher risk and employers in these sectors may have to pay higher contributions)
- Scoring

EIS standards

- Minimum Standards of Social Security Convention, 1952 (No 102)
- Employment Injury Benefits Convention, 1964 (No 121)
 - competent authority to define occupational accidents and diseases for which certain compensation benefits should be provided: payment for medical care and rehabilitation services for workers, and income maintenance for injured workers and their dependants during periods of temporary or permanent disability or in case of death.
- R121 - Employment Injury Benefits Recommendation, 1964 (No. 121)
- List of Occupational Diseases Recommendation, 2002 (No 194)

ILO Conventions

C 183



Maternity

C 130



Sickness

C 168



Unemployment

C 121

R 121

R 194



Work injury

C 130



Medical care

Convention No. 102 covers all 9 contingencies

Families with children



C 183

Invalidity



C 128

Death of the breadwinner



C 128

Old age



C 128

Life-cycle

C102 - Principles

- Guarantee of defined benefits
- Participation in the administration by the people who are protected
- Overall responsibility of the state for:
 - the service of the benefits conferred; and
 - the good administration of the institutions and services (e.g. through regular actuarial exams)
- Collective financing of the social security schemes
- Adjustment of the pensions being paid
- Right to lodge appeal in the event of a refusal of benefit or of dispute as to its quality or quantity
- Equality of treatment

ILO CONVENTIONS ON SOCIAL SECURITY

Accidents at work and occupational diseases

Accidents at work and occupational disease

C102 p.VI; C121 and R121

C.121 obliges states to prescribe a definition of an accident at work.

Persons protected: 50% of employees (C102), or all employees (C121 – with exceptions, and R121, without exceptions)

R.121 provides for voluntary insurance for workers on their own account.

ILO CONVENTIONS ON SOCIAL SECURITY

Accidents at work and occupational diseases

Benefits: Medical care and sickness benefits for both temporary and permanent disability are set at: 50% of a reference salary (102); 60% (121); 66.6% (R121).

In case of permanent partial incapacity, these benefits can be replaced by a lump sum.

In the event of death: for a widow with two children, the benefit must be 40% of the reference salary (102); or 50% (121).

The Conventions provide for a *review of benefits* based on changes in the *cost of living*. The resulting pensions must be for life in the form of periodic payments. C102 provides that no periodic payment amount must be less than the prescribed minimum amount. All periodic payments must be calculated in accordance with the rules described.

ILO CONVENTIONS ON SOCIAL SECURITY

Accidents at work and occupational diseases

Benefits:

C121 provides for a higher level of protection: with supplementary or special allowances for disabled persons whose condition requires the constant help or attendance of another person. States should also adopt ***preventive*** measures against accidents at work or occupational diseases; provide vocational rehabilitation services and take steps to facilitate proper placement of employees who have been disabled.

Conclusion

- Social Insurance better address
 - occupational diseases
 - workers working for small and medium-sized enterprises
 - employers' contributions
- SI are better able to encourage preventive practices by employers
- Better integration with national social security
- A dual protection mechanism may generate challenges in terms of administration and supervision



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THANK YOU

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