

General Information

- Safety nets are typical components of social protection systems.
- Helps vulnerable households cope with temporary shocks such as a natural disaster or economic downturn
- Conditional cash transfers, child allowances, non contributory pension programs; food-based programs such as food stamps, food rations, or school feeding programs; public job programs

STATE of SSNs 2018 (World Bank Report)

- **1.6 %** of GDP is spent on safety nets in low- and middle-income countries

South Asian countries spend the least at 1% of GDP

- Every country in the world has at least **one** safety net
- **55%** of the world's poor are not yet covered by a safety net
- An estimated **36 percent** of the very poor escaped extreme poverty because of social safety nets, providing clear evidence that social safety net programs are making a substantial impact in the global fight against poverty.
- In developing and transition countries, **2.5 billion** people are covered by safety net programs. Of these, **650 million** people are from the poorest quintile.
- Yet, in low-income countries, only **1 in 5** of the poorest are covered by safety net programs.

Classification of SSNs Programs

Programs category	Programs subcategory
Cash transfers: i. Unconditional ii. Conditional	Poverty-targeted cash transfers; Family, children, orphan allowance, including orphans and vulnerable children benefits; Noncontributory funeral grants, burial allowances; Emergency cash support, including support to refugees and returning migrants Public charity Conditional cash transfers
Social Pensions (non-contributory)	Old-age social pensions; Disability benefits; War veteran benefits; Survivorship benefits
Food and In-kind transfers	Food stamps, rations, vouchers; Nutrition programs (therapeutic, supplementary feeding); School supplies (free textbooks, uniforms); In-kind/nonfood emergency support Other in-kind transfers

Why the Interest in SSNs Now?

- Poor people are disproportionately affected by any type of economic downfall(caused by global events, natural disasters, or national economic reforms)
- Vulnerable households may survive bad times by selling their land, livestock, or tools, not sending the children to school, or eating less
- These strategies compromise their capacity to recover.
- Effective safety nets increase the options of poor households and reduce their need to deplete their assets.

Some Questions

- Should everyone or only some people benefit?
- Should benefits be unconditional or conditional?
- How poor do beneficiaries need to be?
- Which age group should benefit most?
- How can social safety nets best be managed?
- What factors affect the impact of safety nets on poverty and inequality?
- Why does the world need adaptive social protection?

Conclusion

- The potential benefits go beyond essential support for vulnerable people to stimulating the whole national economy.
- Social safety nets are one element of social protection. They work best when there is a comprehensive macroeconomic policy response to vulnerability
- For social safety nets to operate efficiently and meet the needs of the people they are designed for, strong monitoring and evaluation systems must be developed
- These systems produce information that helps to both refine the design of safety nets and provide feedback on their impacts

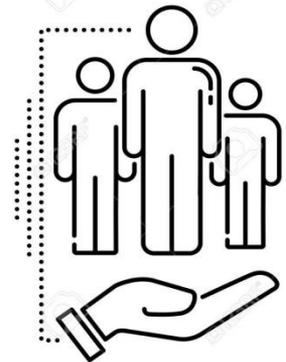
Conclusion contd.

- Forward thinking brings the best results. It is best to set up or reinforce safety nets before a crisis hits.
- In a short-run crisis situation, the focus should be on programs to deliver the services that the poor need.
- Existing programs that reach the poor and help them cope can be supported or expanded.

Social Securities



Schemes in Context of Nepal



SOCIAL SECURITY

Social Security Schemes

- The Social Security Fund has introduced the following Social Security Schemes:
- (a) Medical Treatment, Health and Maternity Protection Scheme
- (b) Accident and Disability Protection Scheme
- (c) Dependent Family Protection Scheme and,
- (d) Old Age Protection Scheme

* Other schemes like Single widow, Endangered groups, etc., are not included*

Contribution

The Employer and the Employees are required to contribute certain amount of the employee's basic salary each month to the Social Security Fund (SSF)

Contributor	Amount (% of basic salary)
Employee	11
Employer	20
Total	31

Allocation of the Contribution

The total amount of contribution made by the Employer and Employee will be allocated to the different schemes in the following manner:

S.N.	Social Securities Schemes	Amount
1	Medical Treatment, Health and Maternity Protection Scheme	1%
2	Accident and Disability Protection Scheme	1.4%
3	Dependent Family Protection Scheme	0.27%
4	Old Age Protection Scheme	28.33%
	Total	31%

Schemes and their Coverage

A) Medical Treatment, Health and Maternity Protection Scheme

- (a) Medical Treatment and Health Safety Schemes
- (b) Safe Motherhood Schemes for the Contributor or Contributors Wife.

Coverage under Medical Treatment, Health and Maternity Protection Scheme

Benefits out of this Scheme

- Medical consultancy services,
- Admission and operation fee of the hospital,
- Examination and treatment cost,
- Medicine Expenses equivalent to medical bill,
- Expenses incurred for the regular pregnancy test of the Contributor or Contributor's Wife, hospital admission, operation and treatment of child for 3 (three) months,

Scope of Health Benefits

S.N.	Scopes of Benefits	Entitlement	Contributor's Cost
1	Treatment at Hospital	Amount not exceeding NPR 100,000 p.a.	20% of the claim amount
2	Cost incurred for the regular pregnancy test, hospital admission, operation and treatment of child for 3 months	Amount not exceeding NPR 100,000 p.a.	20% of the claim amount
3	Treatment without admitting to hospital as per the prescription of doctor	Amount not exceeding NPR 25,000 p.a.	20% of the claim amount
4	Maternity Care/Miscarriage after 24 weeks of pregnancy/stillbirth	Amount equivalent to one month's minimum remuneration per child.	Up to two children

B) Accident and Disability Protection Scheme

- Accidental Benefits
- Disability Benefit

The Contributors who have not contributed for a minimum period of 2 (two) years shall not be entitled to the benefit related to the treatment

Benefits of the Scheme

Total expenses incurred for the treatment of employment related accident:

- Treatment expenses up to **NPR 7,00,000** in case of accident except the employment related accident.
- Amount equivalent to **60%** of the employee's basic remuneration until returning to work in case of temporary full disability due to occupational hazard or diseases.
- Lifetime monthly pension based on the ratio of disability of the Contributor in case of permanent disability due to occupational hazard or diseases.
- Lifetime monthly payment equivalent to **60%** of the employee's basic remuneration in case of permanent full disability due to occupational hazard or diseases

C) Dependent Family Protection Scheme

A) Pension Benefits

- The Pension benefit is provided to husband or wife of the Contributor in the event of death of Contributor due to accident or occupational diseases. The husband or wife is entitled to lifetime pension benefit equivalent to 60% of last drawn basic remuneration of the Contributor.

B) Scholarship Schemes to the Contributor's Children

- This Scheme covers the children who have not completed 18 years of age in the event of death of the Contributor. The amount of such scholarship shall be 40% of the last drawn basic remuneration of the Contributor and it shall be entitled every month.

C) Benefits to the Contributor's Parents

- This benefit is provided to the dependent parents living joint with the Contributor in case the Contributor does not have husband or wife or children. The dependent parents will be entitled to 60% of the basic remuneration for life time.

D) Entitlement of Funeral Expenses

- In case of death of Contributor for any reason whatsoever the dependent family member or the nominee will be entitled to funeral expenses of NPR 25,000.

D) Old Age Protection Scheme

- The Old Age Protection Scheme will be operated by the total amount of **28.33%** of the employee's basic salary (**10+10%** provident fund and **8.33%** gratuity) deposited in the SSF.
- The Old Age Protection Scheme applies to the employees working with the employer prior to **Shrawan 01, 2076** (July 17, 2019) if they accept the Scheme under the collective bargaining agreement.
- The Contributor should have completed the age of **60** and should have contributed for at least **180 months or 15 years**.

Benefits Under Pension Scheme

- Upon completion of the retirement age, the total sum amount of contribution made by the employer and the employee and the amount of accrued from the investment made by the Fund will be divided by **180 months (15 years)** and such amount will be provided as pension every month during the employee's lifetime.
- Upon death of the Contributor prior to the retirement age, their heir shall receive the total lump sum amount of the contribution made by the employer and the employee and the accrued benefit received from the Fund.
- The Contributors working prior to **Shrawan 01, 2076** (July 17, 2019) contributing **28.33%** for provident fund and gratuity shall be entitled to receive a lump sum amount of the contribution and income accrued on such amount upon retirement.

Queries ?

How?

Where?

When?

Why?

Who?

What?

