

A close-up photograph of an elderly person's hands, showing wrinkles and skin texture, firmly grasping a dark wooden cane. The background is a bright, out-of-focus indoor setting with warm lighting. A semi-transparent green rectangular box is overlaid on the left side of the image, containing white text.

Social Security Scheme Major Highlights

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Coverage of the Scheme

Coverage

Mandatory		All the employers and employees of such employers (<i>Covered by Definition of Labor Act 2074</i>)
Voluntary		Self-employed employees and employees working in informal sector
For employees	Government	As per Rule 3 of Social Security Rules 2075, Government employees shall be entitled to participate in Social Security Plan as per Nepal Gazette published by Nepal Government.

Listing Deadlines

As per notice published in Nepal Gazette as on 26.07.2075, employers of following sectors should apply for listing **within three months** of the following dates

Type of Employers	Listing Deadline
Employers and all labor suppliers within Kathmandu Valley	06.08.2075
Employers of Province No.3 other than those within Kathmandu valley	15.08.2075
Employers of Province No.1	01.09.2075
Employers of Province No.2	15.09.2075
Employers of Gandaki Province and Province No 5	01.10.2075
Employers of Karnali Province and Far Western Province	15.10.2075

Newly listed employers shall list its employees **within 3 months of employee-employer relation** (*Contribution based Social Security Act, 2074*)

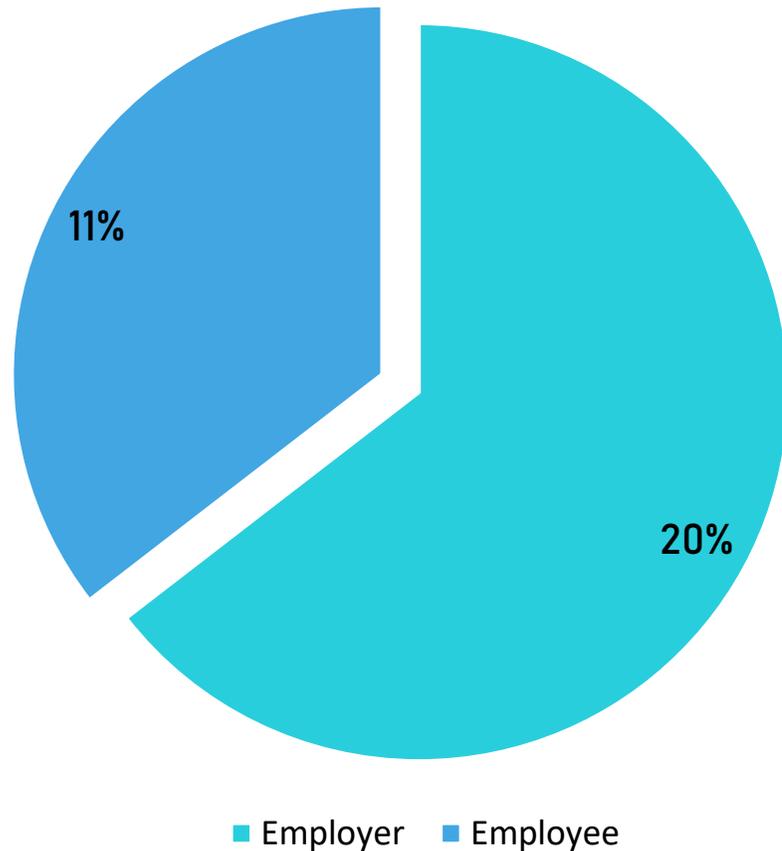
SSF through notice dated 2077/12/17 has requested employer not registered in SSF to be registered within Ashadh end 2078.

A close-up photograph of a hand dropping a coin into a slot. Below the slot are three stacks of coins of increasing height from left to right. The background is a warm, bokeh-lit green and yellow. A semi-transparent green banner is overlaid in the center.

Contribution Required

Contribution Required

Contribution to SSF (of Basic Salary)



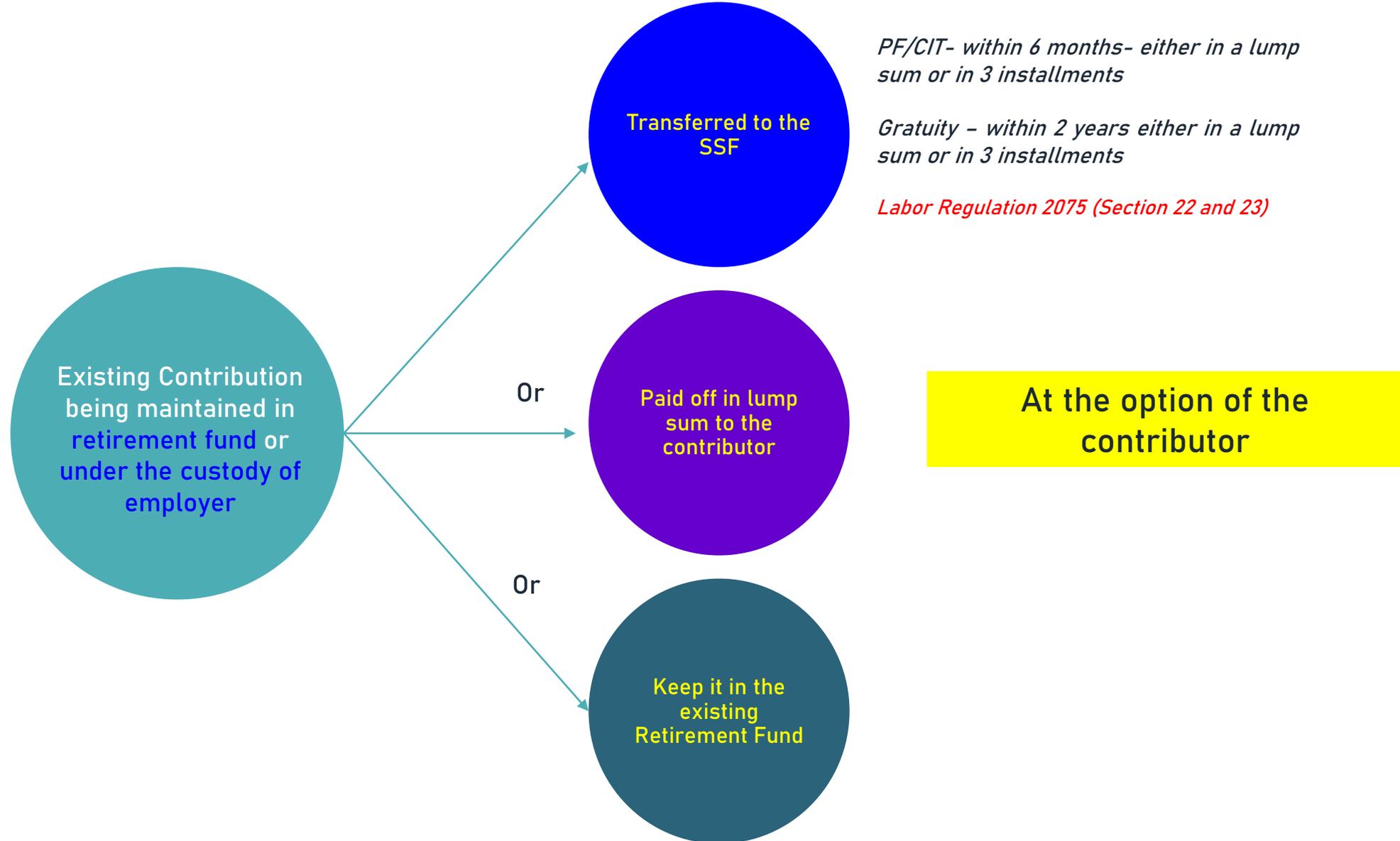
Components	Employer	Employee
Provident Fund as per Labor Act 2074	10%	10%
Gratuity as per Labor Act 2074	8.33%	
Other Social Security Contributions (Labour Act 2074 read with SSF procedure)	1.67%	1%
Total	20%	11%

The bonus to be deposited into the National Level Welfare Fund as per Bonus Act 2030 (30% of amount remaining after payment of bonus as per Act) shall also be deposited to the Social Security Fund.

A photograph of two movers in blue uniforms and caps carrying large cardboard boxes up a set of grey stone steps. The mover in the foreground is on the left, looking towards the right. The mover in the background is on the right, walking up the stairs. The scene is outdoors, with a building featuring large glass windows and a metal railing visible in the background. A semi-transparent green banner is overlaid across the middle of the image, containing the text "Transitional Provision".

Transitional Provision

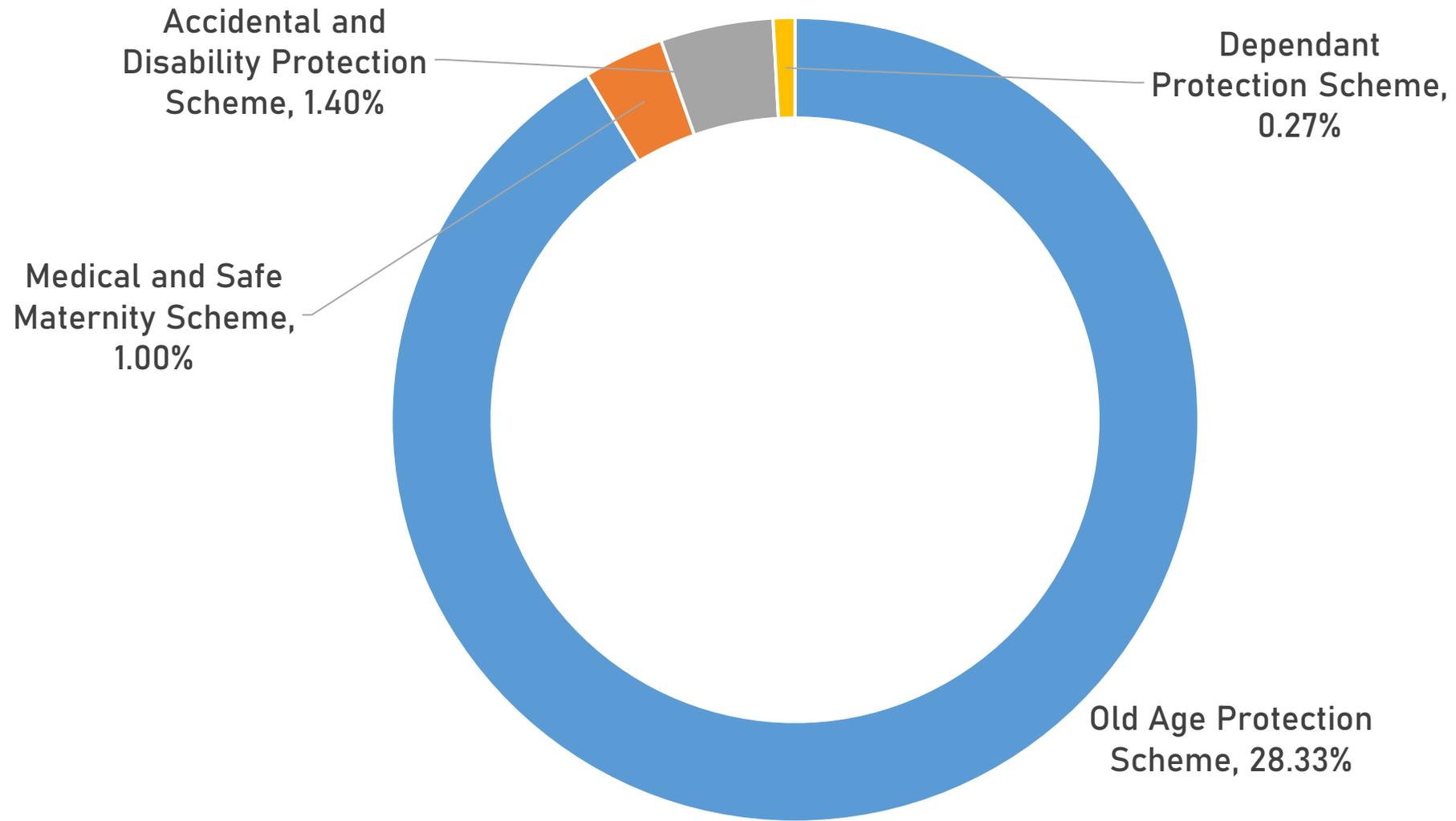
What Happens to Existing Contributions?



A close-up photograph of a person's hands pouring golden-brown wheat grains into a white plastic bag. The person is wearing a black and white striped shirt. A semi-transparent green banner with a faint wheat grain pattern is overlaid across the center of the image.

Benefits of the Scheme

Benefits under the Scheme





Accidental and Disability Protection Scheme

Accidental Protection

Coverage

Employment Related Accident: From the date of contribution to the fund till contributor stops making contribution.

Occupational Disease : After two years of contribution into the fund and till 2 years after contributor stops making contribution (*Amended*)

Benefits

Employment related accident or Occupational disease: **All expenses** incurred for treatment of injury or disease.

In case treatment of same is done without informing to SSF in other than listed hospitals, maximum of **NPR 7 lakh** will only be borne by the fund.

Other Accidents: Up to maximum of **NPR 7 lakh** (to the extent not covered by other insurance schemes)



Accidental and Disability Protection Scheme

Disability Protection

Benefits	<p>Temporary physical disability caused as a result of employment related accident or occupational disease: 60% of basic salary is paid on monthly basis until he/she is able to return to work</p> <p>Permanent physical disability due to employment related accident: 60% of basic salary is paid monthly proportionate to disability ratio until his/her death</p>
Other Conditions	<p>In case of complete permanent disability, amount shall be paid to the person or to the caretaker of the disabled on recommendation of municipalities.</p> <p>Disability ratio is determined by the health committee established under social security fund and shall be reviewed every 5 years.</p> <p>Amount paid monthly as pension for 100% permanent disability should not be below 60% of minimum basic salary prescribed by Government of Nepal</p> <p>Inflation Adjustment: Necessary adjustment for inflation will be made as per actuarial report on the pension amount to be paid based on the level of disability.</p>



Medical and Safe Maternity Scheme

Coverage	After 3 months from contribution till 3 months after contributor stops making contribution
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- | | |
|----------|---|
| Benefits | <ul style="list-style-type: none">▪ Doctor consultancy fee▪ Hospital admission fee and operation charges▪ Diagnosis and treatment expense▪ Medication expense▪ Regular diagnosis and checkup related to maternity, Surgery and other medical expenses incurred upon admission to hospital , up to 6 month's maternity related medical expenses after delivery, and childcare expense up to 3 months from delivery.▪ In case the patient is under home treatment due to disability to travel, total consulting fees of physician incurred.▪ Benefit in Lieu of Leave Period |
|----------|---|

Not Included: Plastic Surgery and dental treatment expenses (except in case of accident); abortion expenses; bariatric surgery and expenses covered elsewhere under the scheme.



Medical and Safe Maternity Scheme

Limit

- For those admitted at hospital, payment not exceeding NPR 1 lakh in a financial year shall be made directly to the hospital where the contributor is admitted.
- For those undertaking medication as prescribed by the doctor (not hospital admitted), payment up to 25,000 per FY. Contributor who has enjoyed the said facility can also claim further benefit up to NPR 1 lakh in case of further medical expenses incurred upon admission to hospital.
- In case of maternity benefit expense related to treatment of the contributor or the contributor's wife and expense related to nursing of the newborn can be claimed up to the prescribed limit.
- The contributor has to bear 20% of the total benefit claimed and the gross benefit as above.
- Female contributor or wife of the male contributor who has recently given birth to a child is entitled to benefit equal to one month's **minimum remuneration** for each newborn. Such benefit is also payable in case of abortion after 24 weeks or miscarriage. *In case both the husband and wife have contribution in the fund, only one individual should claim the benefit.*

Any person getting facility under this scheme is not restricted to get medical facility from Government of Nepal or under any other insurance scheme. However, no payments can be obtained twice from the same medical bill.



Medical and Safe Maternity Scheme

Benefit in Lieu of Leave Period

Benefits If the leave days exceed entitled sick leave days (12 days as per Labour Act), and the contributor has to be admitted to the hospital for treatment or is under treatment at home on recommendation of the doctor, the contributor is entitled to sick payment equal to 60% of basic salary for the period of sick leave for such unpaid period.

For up to maximum 13 weeks including paid sick leave.

If the leave days exceed paid maternity leave days (60 days as per Labour Act), contributor is entitled to maternity payment equal to 60% of basic salary for the period of unpaid maternity leave.

For maximum 98 leave days including 60 day of paid maternity leave.

Exclusion	Such benefit is not included in the limits of NPR 1 lakh
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Any contributor entitled to pension under social security scheme may continue to participate in *Medical and Maternity Protection Scheme* after making defined contribution in the fund.



Dependent Family Protection Scheme

Coverage

From the date of contribution to the fund and ends from the date after contributor stops making contribution.

Benefits

Pension amount
for spouse

Educational
benefit to the
children

Benefit to the
deceased's
parents

Funeral Expense
Benefit



Dependent Family Protection Scheme

Pension amount for spouse

Eligible on death of contributor (due to any reason). Shall be provided to spouse

60% of basic salary of the contributor at the time of his death.

Not eligible if the contributor's husband or wife has done another marriage or has alternative employment

Spouse may apply to the fund for such pension in case of end of his/her employment where he/she is not eligible for old age pension scheme.

Inflation Adjustment: Necessary adjustment for inflation will be made as per actuarial report on the pension amount to be paid based on the level of disability.

Educational benefit to the children

Eligibility: Children below 18 years of age shall be given **40% of basic salary** in case of death of contributor *(If more than one eligible child 40% of basic salary shall be paid proportionately to upto two children)*

Benefit is applicable until the beneficiary reach 18 years old.

In case the child is pursuing continuous education, the benefit can be extended until the age of the child is 21 years.

However, the benefit under this scheme is terminated on completion of education or marriage of the beneficiary.

Time limit specified above shall not be applicable in case of physically or mentally disabled children.



Dependent Family Protection Scheme

**Benefit to the
deceased's
parents**

Eligibility: If the deceased is the only child with no spouse or children, the dependent parents shall be provided 60% of basic salary until death on a monthly basis.

If both mother and father of the deceased are alive, the amount is distributed to both proportionately.

**Funeral
Expense
Benefit**

Eligibility: On death of the contributor due to any reason, the dependent family or the beneficiary shall be provided Rs. 25,000

Old Age Protection Scheme

This scheme is operated with 10% PF and 8.33% gratuity contributed by the employer and 10% PF contribution from the employee.

Any contributor may, with advance notice to SSF, may contribute additional amount to the scheme.

Benefits

Pension Scheme (Operated with 20% contribution)*

Retirement Benefit Scheme (Operated with 8.33% contribution)**

*However, in case contribution eligible for transfer to pension scheme is more than **3 times of minimum basic salary** defined by Government of Nepal, Fund may transfer the excess fund to Retirement Benefit Scheme upon written application of the contributor.

Amount opted by the employee to be **transferred to SSF from other retirement funds schemes prior to the contribution in SSF will be transferred to **Retirement Benefit Scheme**.



Pension Scheme

Eligibility

- Eligibility: Those starting the contribution to the fund on or **after Shrawan 1, 2078**
- Employees contributing to the fund before Shrawan 1, 2078, **may opt to the scheme** with written application to the fund.

Should have achieved the permanent retirement age (**60 years**) and have made contribution for at least **180 months** to be eligible to receive pension

Benefits

Computation of monthly Pension amount: *(Contribution + Profit from the investment) / 160 months (earlier 180 months)*

Contributor attains the age of 60 before making contribution for 180 months: contributor may opt to obtain pension amount as per computation above or take lumpsum amount of contributions and profit from the investment of SSF. *(First amendment)*

Death of contributor before the age of compulsory retirement (60 years): Total contribution plus the interest/profit should be paid **in lump sum** to the legal heir.

Pension spouse:

to In case of death of contributor after starting to get pension but before getting pension for 180 months, spouse of contributor, with no alternative employment or pension facility, will be allowed pension, for lifetime, equivalent to 50% of the eligible pension amount.

Not eligible if the contributor's husband or wife has done another marriage.



Pension Scheme

Inflation Adjustment

Necessary adjustments will be made for inflation on pension amount to be paid under the scheme as per actuarial report.

No restriction to participate in the scheme

Any person getting pension from Government of Nepal or elsewhere may also participate in the scheme. *(First amendment)*



Retirement Benefit Scheme

Eligibility

Eligibility: The following shall be eligible:

- Those starting the contribution to the fund on or after Shrawan 1, 2078
- Employees contributing to the fund before Shrawan 1, 2078, may opt to transfer **entire 28.33%** of the fund to the scheme with written application to the fund.

Benefits

Contributed + Profit will be paid on lumpsum basis to the contributor upon retirement of contributor or termination of employment or to the beneficiary upon death of contributor .

Loan Facility

Contributors contributing regularly for 3 years under the scheme may obtain special loan to the extent of 80% of the amount remaining in the Retirement Benefit Scheme.

A person in a dark suit and striped tie is holding a white umbrella in their right hand and a family of white paper figures in their left hand. The background is a light, neutral color.

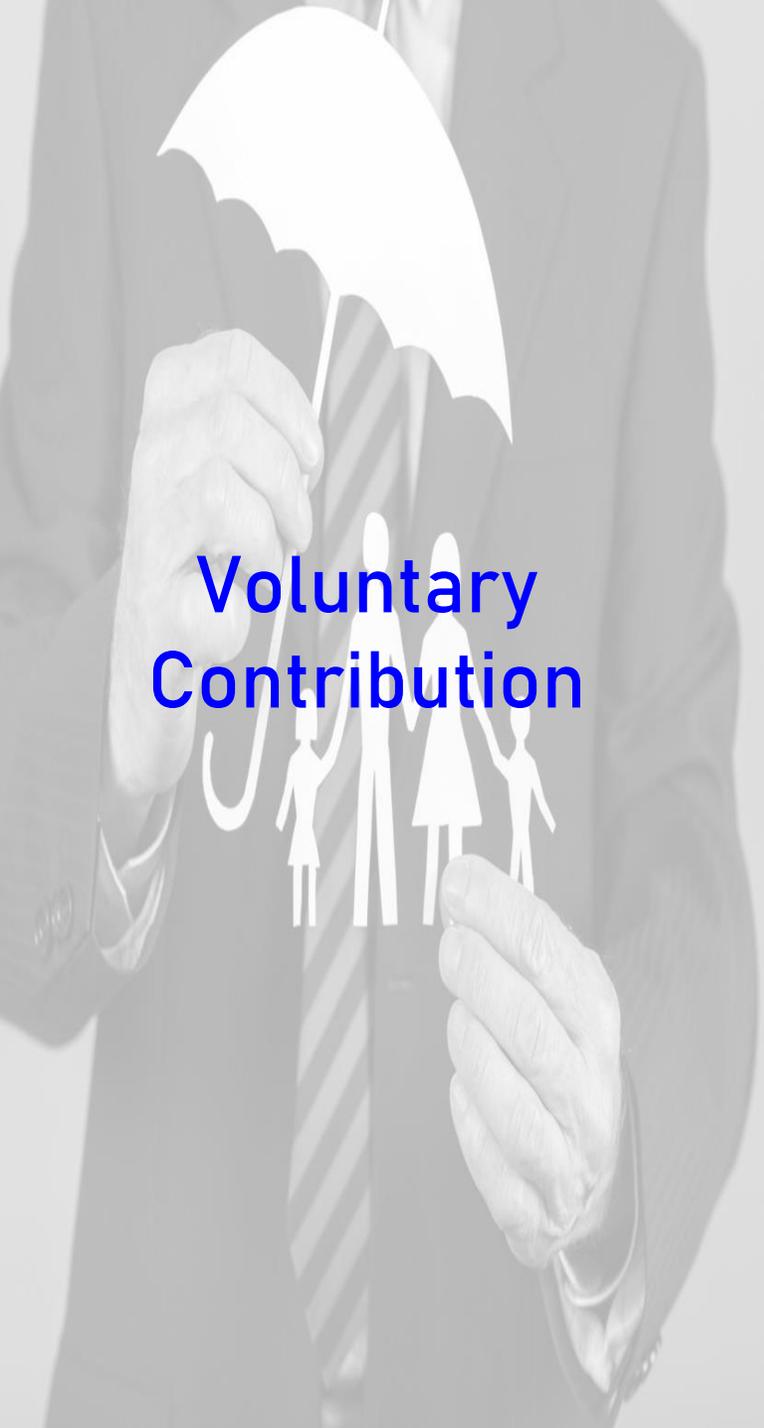
Provision Relating to Foreign Employee

Foreign national can take **lumpsum amount** as payable under old age facility scheme after he ends employment in Nepal.

In case of death of foreign national while in service or before taking refund after ending service in Nepal, amount payable under pension scheme will be paid in lump sum **to the legal heir**.

Fund will pay the lumpsum amount payable under old age facility scheme to Nepalese National who submit proof of **abandonment of Nepalese Citizenship**.

In case beneficiary is entitled to facilities under *Dependent Family Protection Scheme* upon death of foreign national, such beneficiary may opt to take lumpsum amount up to NPR 7 Lakh under such scheme.

A person in a dark suit and striped tie is holding a white umbrella in their right hand and a white paper cutout of a family (two adults and two children) in their left hand. The background is a light, neutral color.

Voluntary Contribution

Any person with labor relation **after completion of 60 years** may opt to participate in social security schemes. In this case, entire amount of fund under Old Age Protection Scheme (*including 20% of fund to be deposited under Pension Scheme*) will be deposited under Retirement Benefit Scheme.

A composite image featuring a pocket watch on the left, stacks of gold coins in the center, wooden blocks spelling 'TAX' in the foreground, a pen on the right, and a calculator in the background. A green semi-transparent banner is overlaid across the middle of the image.

Tax/Other Incentives

A grayscale photograph of a desk. On the left is a round analog clock. In the center, there are two stacks of coins. In front of the coins are three wooden blocks stacked to spell out the word 'TAX'. To the right of the blocks is a pen. The background is slightly blurred.

Tax Benefit/Other Incentives

As per section 63 (2) of Income Tax Act 2002 read with rule 21 (2) of Income Tax Rule 2002, in case of contribution to Social Security Fund, actual contribution to the extent of NPR 500,000 is allowed as deduction for income tax purpose.

As per clause 1 (1) (e) and 1 (2) (e) of Annexure-1 of Income Tax Act 2002, in case of contribution to Social Security Fund, 1% social security tax need not be deducted.

Thank You



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