**Health benefits**

BY P A R V E Z R A H I M 2021-11-08

IN 1965, the first significant post-partition welfare legislation calle d the Provincial Employees` Social Security Ordinance was promulgated to cater to the medical needs of low-paid employees and their families.  
  
Each province was required to constitute institutions to administer the social security scheme in industrial and commercial establishments.  
  
The scheme was supposed to provide benefits in the event of sickness, maternity, employment injury or death. The provincial institutions set up hospitals and dispensaries, which would provide outpatient medical treatment and hospitalisation to secured employees and their families. It was for the first time in Pakistan that employees` health needs were being met through a fairly wellmanaged government scheme.  
  
The administration of the organisations covered by the scheme would maintain a close liaison with officials of the social security institution to ensure proper care and attention to employees accessing the medical facilities.  
  
The scheme was managed efficiently for around three decades but then its standards started deteriorating, mainly because of the alleged collusion between unscrupulous employers who did not want the scheme to be applied in their organisation and some officials of the institution. The paucity of funds this created adversely affected the quality of medical treatment provided at the institution`s facilities.  
  
Soon after the promulgation of the ordinance, Sindh established the Sindh Employees Social Security Institution. Its main emphasis was Karachi with its large industrial estates. Over the last two decades or so, SESSI`s aim seems to be to get more money from organisations instead of trying to improve the standard of services in its health outlets. In its pursuit of genuine funding, SESSI should have tried to bring more industrial and commercial establishments into its fold. In 2005, it extended the scheme to hospitals in Karachi including two whose employees were content with the medical facilities being provided by their managements so that they didn`t need to look elsewhere for medical care.  
  
At present, these hospitals are paying a total of Rs6 million towards the monthly contribution to SESSI. But why should their employees go through the process of cumbersome documentation in return for substandard medical treatment from SESSI facilities? In fact, officialdom could have deliberated on ways to mal(e the scheme attractive for secured employees.  
  
In 2018, the then commissioner social security agreed that the rate of employers` monthly contribution to SESSI would be theminimum wage rate as declared under the Sindh Minimum Wage Act, 2015. The commissioner had the provision included in the Sindh Employees Social Security (Amendment) Act in May 2018, and the employers duly started paying the contribution.  
  
The system continued to run smoothly for around eight months and the employers would pay the contribution at six per cent of the minimum wage of Rs17,500 at the time on behalf of every secured employee. After the transfer of the commissioner, SESSI wanted employers to pay contributions at the rate of 6pc of the employees` salary, which fell within the range of the lower wage limit of Rs17,500 and upper limit of Rs22,500.  
  
As SESSI`s demand was contrary to the law, employers approached the apex court that agreed the contribution be payable at the prevailing rate of the minimum wage.  
  
Section 75 of the act provides that a lower wage limit and an upper wage limit shall be determined for payment of social securitycompensation ano the rates of benefits payable under the act. These benefits comprise sickness benefit, maternity benefit, death grant, injury benefit, disablement pension or gratuity and the survivor`s pension.  
  
While compensation against sickness and maternity benefits is payable at 100pc ofan employee`s salary, the others are paid according to certain percentages of the salary as prescribed in the act.  
  
If the minimum wage is finally allowed by the court to be fixed at Rs25,000 per month, then according to the act, the lower wage limit will be Rs25,000 and Rs30,000 will be the upper wage limit, after the addition of Rs5,000 to the minimum wage. An employee drawing a salary of, say, Rs28,000 per month should be paid sickness or maternity benefit at the same rate. However, SESSI has fixed Rs15,000 as the rate for disbursement of compensation irrespective of an employee`s salary, which is a flagrant violation of the act.  
  
SESSI now wants employers to pay a contribution at 6pc of Rs25,000 on behalf of every secured employee. It should instead disburse the amounts of compensation according to the law. The writer is a consultant in employee relations at the Aga Khan University.