

## ► Technical Brief

25 May 2026

### National Employment Injury Scheme (NEIS) in Bangladesh

*Implementing Section 151A of the Bangladesh Labour Act, 2006 (as amended) — Technical Brief*

#### From Pilot to national scheme: background and context

► Since 2022, Bangladesh has been testing an Employment Injury Scheme (EIS) Pilot — the country's first social contributory insurance — in the ready-made garment sector. Aligned with ILO Convention No. 121, the scheme provides monthly compensation as income-replacement benefits to workers and their families in cases of work-related disability or death. The Pilot is funded through voluntary contributions from more than 92 international brands sourcing their products from Bangladesh. It has subsequently been extended on a gradual basis to the export-processing-zones (EPZ) and leather and footwear sector. Experience and data from the Pilot inform the design of the national scheme.

#### National Employment Injury Scheme (NEIS)

The Government of Bangladesh has committed to making the EIS a national scheme by July 2027. This marks a shift from the existing employer-liability system, found in Chapter XII of the Bangladesh Labour Act (BLA), to a nationally administered, contributory social insurance scheme.

#### Architecture of NEIS

The NEIS rests on three (3) institutional pillars:

- A **tripartite Governance Board** — modelled on the EIS Pilot — of fifteen (15) members (Government, employers, workers and one independent technical expert), responsible for oversight, strategic direction and policy. The Board is chaired by the Secretary of the Ministry of Labour and Employment (MoLE).
- A dedicated corporate body — the **EIS Authority** — responsible for scheme implementation: registration, claims processing, benefit disbursement, compliance and management of the Fund.
- A **ring-fenced Fund**, maintained separately from any other public fund, with resources used exclusively for benefit payments and administrative costs of the Scheme.

#### Benefit Package and Beneficiaries

The NEIS is built on a **no-fault compensation principle**: workers are entitled to benefits regardless of who is responsible for the injury. It will initially provide long-term income protection — **permanent disability benefit, constant attendance allowance, survivors' benefit and funeral grant** — and will gradually expand to temporary disability benefit, medical and allied care, and rehabilitation and return-to-work services. The scheme covers work-related accidents (on and off premises), on-duty road traffic accidents, commuting accidents on employer-provided transport, and occupational diseases recognized under the Third Schedule to the Labour Act. Employers will contribute on a sectoral basis. NEIS ensures coordination with the Bangladesh Road Transport Authority for road traffic accidents, including commuting accidents.

#### Benefit Levels

**Permanent disability pension**:  $60\% \times$  insurable earnings  $\times$  degree of disability, payable for life from the date of maximum medical recovery. A **constant attendance allowance** of up to 30% of the full pension is added where a medical panel certifies that the worker requires the constant care of another person.

**Survivors' pension**: an aggregate of **40%–60% of insurable earnings**, apportioned among eligible dependants (widow/widower, minor children — daughters until marriage if earlier — and dependent parents), with automatic redistribution as eligibility changes. A **funeral grant** is paid to the next of kin.

The benefits are adjusted at regular intervals to take account of the living costs.

#### Effective Protection from Day One

Every worker in a covered sector is protected from the **first day of employment, irrespective of the form or duration of the employment relationship, of individual registration of the worker, and of whether the employer has actually paid the contributions due**. Failure of an employer to register or contribute does not deprive the worker or dependants of any entitlement. In such a case, the NEIS pays the benefit, and the employer is liable to reimburse the full cost to the NEIS — including the actuarial capitalized value of the pension, administrative costs and interest.

#### Claim Process and Review

Claims must in general be submitted within **sixty (60) days** of the date of injury, death or diagnosis of occupational disease, with extensions for justified cases. A digital Management Information System (MIS) manages the entire claim cycle — data entry, verification, benefit calculation, disbursement tracking — with interoperability with national MIS/database systems. Cash benefits are paid directly into the beneficiary's bank account or through a secure mobile financial service.

Two levels of review apply: (i) **internal review** by the Director-General of the NEIS Authority, and (ii) **appeal** to an independent Appeal Board established within MoLE. Any claimant or employer may seek review within **thirty (30) days** of the written decision.

## Portability for Beneficiaries Abroad

Where a beneficiary or the dependants of a deceased worker reside outside Bangladesh, the Authority ensures payment abroad through embassies, consulates and secure channels, accepting remote and digital documentation including life certificates. The Government may conclude **social security agreements** with foreign States for cross-border payment, information-sharing and proportional benefits.

## Transition and Progressive Extension

The NEIS is introduced in three (3) phases, sequenced by the Board on the basis of actuarial assessment, administrative capacity, financial sustainability and tripartite consultation. Within **two years of commencement**, the Board adopts and publishes a **time-bound roadmap** identifying target sectors for gradual expansion, evolving the scheme into a comprehensive system aligned with ILO Convention No. 121.

<b>Phase 1</b>	<b>Initial roll-out</b> — long-term cash benefits: permanent disability, constant attendance allowance, survivors' benefit, funeral grant; in sectors specified by first notification.
<b>Phase 2</b> (by 2030)	<b>Sectoral expansion</b> — extension to additional sectors per rule on progressive coverage, on Board recommendation.
<b>Phase 3</b>	<b>Benefit expansion</b> — temporary disability, medical and allied care, rehabilitation and return-to-work services.

## Implications for Employers and Workers

NEIS changes the obligations and entitlements of workers and employers. Under NEIS, employers pay contributions in advance, which exempts them from compensation under Chapter XII of the BLA (BDT 200,000 per case) and other related costs (e.g. funeral expenses). In the event of a work-related accident resulting in death or permanent disability, workers receive compensation from NEIS, in line with EIS Pilot practices. This includes a one-time grant from the relevant labour welfare funds (Central Fund, Bangladesh Labour Welfare Fund, or others) and a monthly income-replacement benefit.

## Costing of NEIS

Contribution rates have been estimated by actuarial assessment for long-term benefits as follows:

### RMG, Leather & Footwear and EPZ:

0.042% of wage bill — including commuting accidents (BDT 86/worker/year)

0.014% of wage bill — excluding commuting accidents (BDT 29/worker/year)

### Ship Recycling:

USD 0.25 per Light Displacement Tonne (LDT), or 1% of the wage bill. These contributions cover all workers of the sector.

## Sustainable National Funding

The Fund is financed on the principles of **solidarity-based collective financing, sector-based risk pooling, equity and long-term financial sustainability**, in line with international standards of good governance. Long-term benefits (permanent disability and survivors') follow a **full-funding basis**; short-term and medical benefits, once introduced, may follow a **pay-as-you-go** approach. The

Board adopts an annual Funding Policy and Investment Policy, supported by yearly actuarial valuation.

Beyond the general rule of a percentage of payroll, the Government may, on the Board's recommendation, prescribe alternative or supplementary contribution bases — such as a percentage of **orders, transactions or contracts** (e.g. export industries), of **annual revenues**, or of the **certified value of a project** (e.g. construction); a **levy per unit of activity** (e.g. per LDT in ship recycling); or a **flat rate** per worker or enterprise.

Existing welfare funds — including the Central Fund and the Bangladesh Labour Welfare Fund — and any surplus from the EIS Pilot may support the initial financing of the NEIS during its early phase. The Fund may also receive Government grants, voluntary contributions from international brands and partners, investment income and third-party recoveries, all ring-fenced for the NEIS.

## Governance, Audit and Public Reporting

The Fund is **ring-fenced** and operated under a strict right-to-sign framework with joint signatures and layered thresholds. Annual financial statements are audited by the **Comptroller and Auditor-General** or an approved external auditor; an **annual actuarial valuation** reviews the Fund's position and projected costs in each covered sector. Audited statements, the actuarial report and the annual report are submitted to the Minister and **published electronically**, with an independent compliance function reporting directly to the Board.

## Next Steps

On 9<sup>th</sup> April 2026, the Parliament of Bangladesh adopted the revised Bangladesh Labour Act (BLA), which includes provisions relevant to the NEIS, namely Section 151A, establishing the NEIS fund, revised Schedules 1 and 3 on disability assessment and occupational diseases, and an obligation under Section 80 to report commuting accidents for statistical purposes.

On the basis of the Tripartite Technical Framework validated by the EIS Pilot Governance Board at its 14th session (April 2026), draft Rules establishing the EIS Fund will be elaborated by the Tripartite Committee on the Bangladesh Labour Rules before final adoption by the Government, with a view to supporting the operationalization of the NEIS by July 2027. This process should be carried forward through constructive social dialogue between the social partners and the Government. The ILO stands ready to extend its continued technical assistance to the Government and the social partners throughout this process, building on the support provided during the EIS Pilot and the elaboration of the Tripartite Technical Framework.