Tripartite technical Workshop 1: Coverage and Benefits under the National EIS

Introductory Session

14-15 May 2025

EIS EMPLOYMENT INJURY SCHEME PILOT

Worshop Purpose

Why This Workshop?

To foster a shared policy understanding and build consensus among stakeholders for

- Expanding EIS nationally
- Defining risk coverage and benefit packages
- Aligning with international labour standards and the National Social Insurance Strategy (NSIS)

General Objective

Develop a Shared Vision

To define a national EIS that ensures:

- Comprehensive and fair risk coverage
- Adequate and equitable benefits
- Gradual and feasible expansion across sectors

Methodology of the Workshop

How Will We Work Together?

Each session will include:

- Expert framing and presentation of key concepts
- Small group discussions on guiding questions
- Plenary exchanges to capture diverse viewpoints
- Summary wrap-ups to distill emerging consensus and differences

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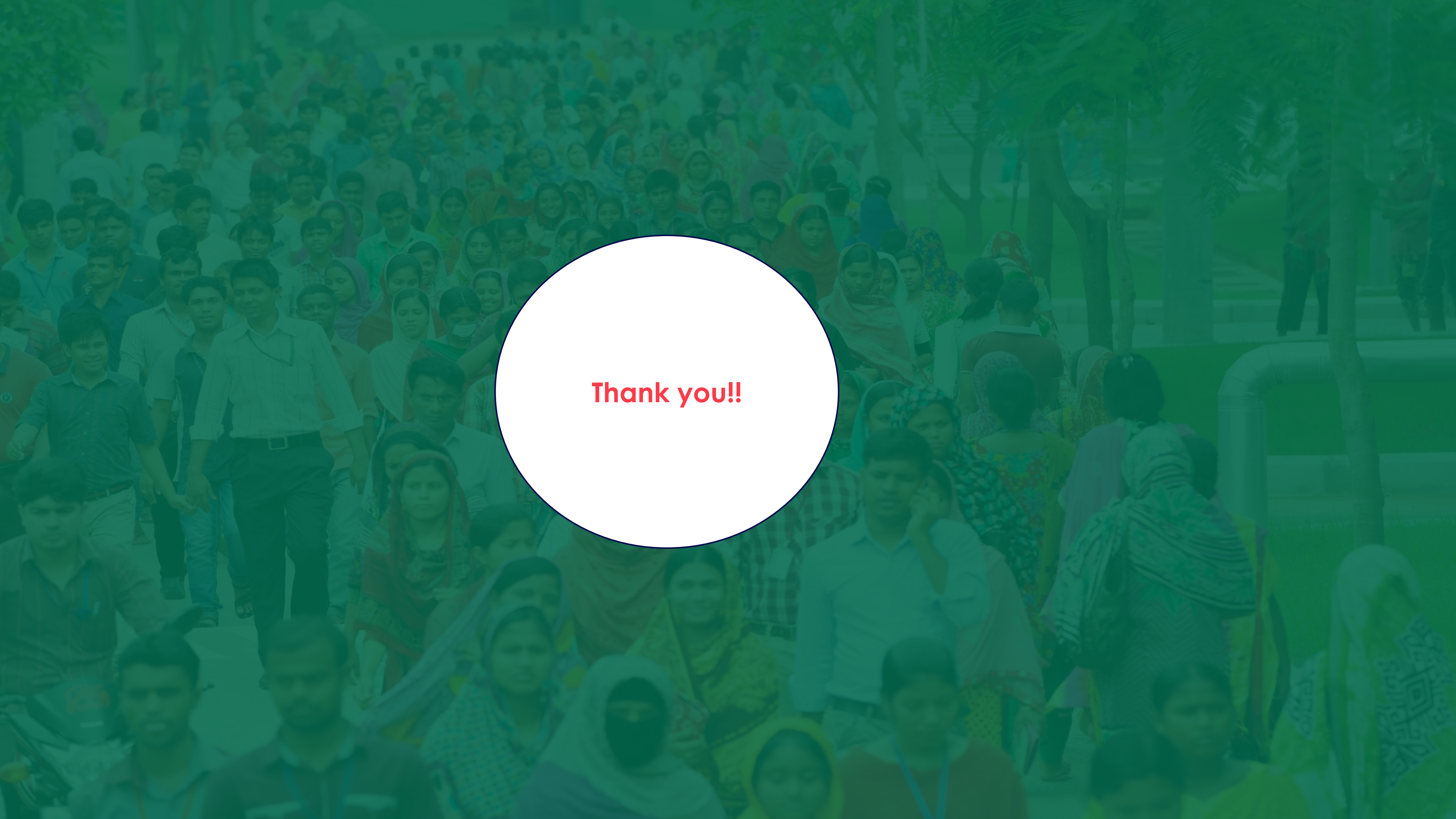
Overview of Sessions

- **Session 1 -** What Risks Are Covered?
- **Session 2 -** The Benefit Package (Short & Long Term)
- **Session 3 -** Compensation Levels & Apportionment Principle
- **Session 4 -** Who is covered? Compulsory registration
- **Session 5** – Building Consensus on Gradual Extension

Expected Outcomes

By the end of the workshop, we aim to:

- Identify areas of stakeholder agreement
- Clarify outstanding technical and legal issues
- Build momentum for legislative and institutional reform
- Inform a roadmap for national EIS expansion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Employment Injury Scheme (EIS) – an overview

14-15 May 2025

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What is the EIS?

- A **wage-based, no-fault social insurance scheme**
- Covers work-related **accidents and occupational diseases**
- Provides **medical care, rehabilitation, and compensation**
- **An tripartite institution** under a responsible Ministry
- Piloted in the **RMG sector**, with national ambition

Objectives of the National EIS

- Transition from **employer liability** to **social insurance**
- Provide **predictable and fair protection** for all formal workers
- Reduce litigation and improve access to benefits
- Align with **National Social Insurance Strategy** and **ILO standards (C.121)**

Key features of the National EIS

- **No-fault principle**: Workers compensated regardless of blame
- **Inclusive coverage**: All workers, no qualifying period
- **Sector pooling**: Costs shared by employers within sectors

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Lessons from the EIS Pilot

- Successfully covered **100% of workers in the RMG export sector**
- Demonstrated operational feasibility and stakeholder buy-in
- Developed robust practices on definitions, disability assessments, and benefits processing
- Provided baseline cost and claims data

Coverage Scope in national EIS

- All formal workers to be covered gradually
- No exclusions based on employment type or contract duration
- Priority sectors? RMG? Leather? Shipbreaking? Construction?
- Inclusion of commuting accidents (with tailored financing options)

Risk categories to be covered

- Workplace accidents
- Commuting accidents
- Occupational diseases
- Clear definitions for impairment vs. disability

International Labour Standards Alignment

- **ILO Convention 121**: Minimum protection requirements
- **C. 102 , R. 121**: Comprehensive coverage odel
- EIS benefits must be fair, adequate, inflation-linked, and non-duplicative

Legal and Institutional Framework

- Involves a **standalone legislation**
- Requires modification to the BLA
- **Tripartite** Governance
- Institutional integration with LIMS and MIS systems

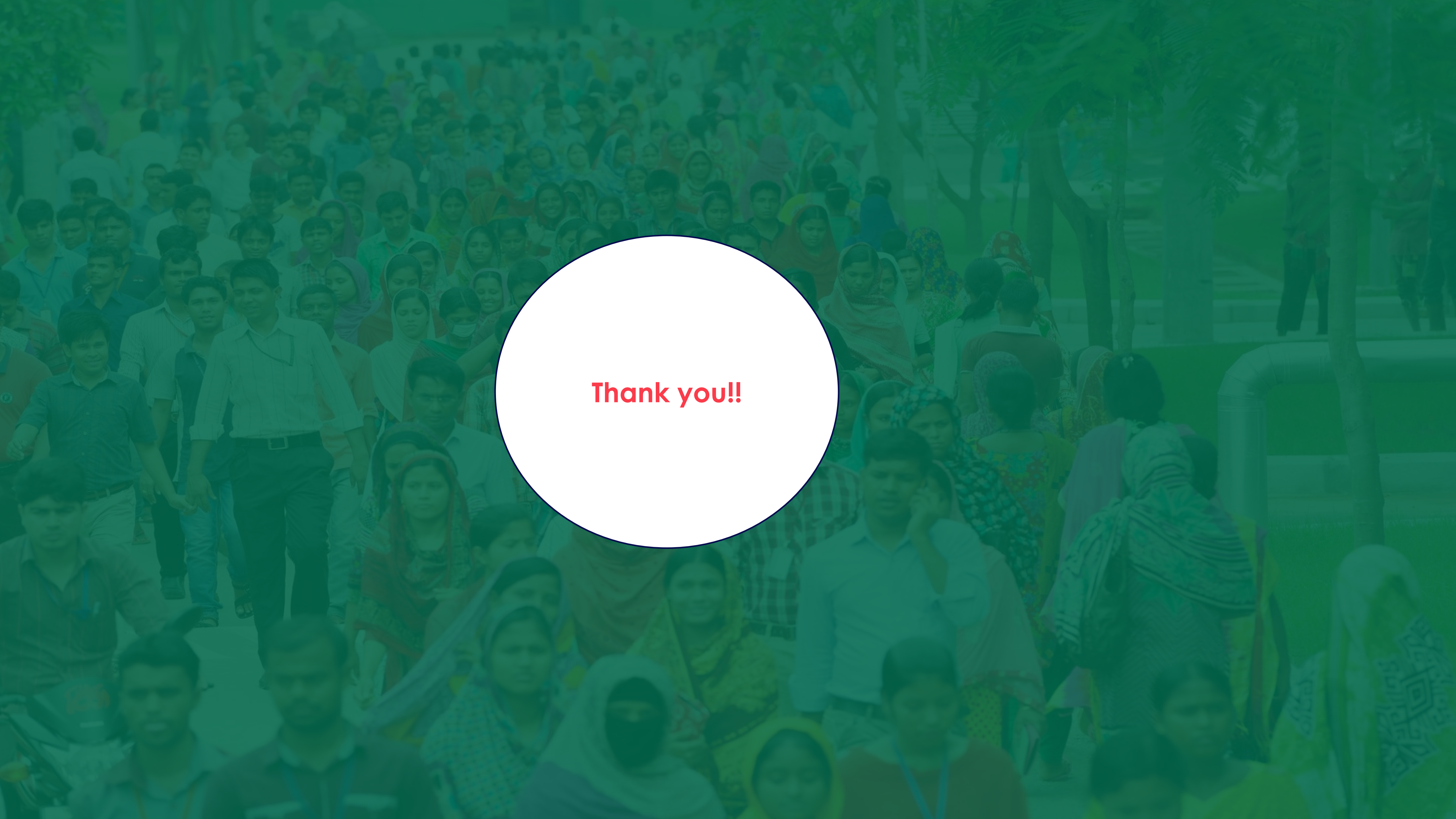
Challenges and opportunities

Challenges:

- Legal duality during transition
- Coverage of informal workers
- Funding mechanisms per sector risk

Opportunities:

- Political momentum
- Cost control via pooling and prevention
- International cooperation & technical assistnace



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Tripartite technical Workshop 1

Session 1 – Defining What Risks are Covered

14-15 May 2025

Why this session matters

- Lays the **foundation for coverage and eligibility** under the EIS
- Key to defining who gets protection and for what
- Ensures **clarity, fairness, and legal enforceability**
- Aligns with Bangladesh context and international standards and best practices

What Should be Covered?

Core Risk Categories:

- Workplace accidents
- Occupational diseases
- Commuting accidents

→ These must be **clearly and operationally defined**
→ Definitions must align with **international standards** and **national realities**

Disability assessment – Current Gaps

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- Outdated Schedule 1 (to be urgently updated) and impairment assessment tools required

- Eligibility and Benefit level depend on proper assessment

- Network of services

- Develop national **occupational medicine capacity** al

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Occupational Diseases – Current Gaps

- Covered in **Schedule 3 of the Labour Act**
- **Challenges**:
    - Outdated classifications
    - Lack of standardized diagnostic criteria
    - Limited capacity for detection and assessment

Recommendation:

→ Update Schedule 3 with modern, evidence-based list

→ Develop national **occupational medicine capacity**

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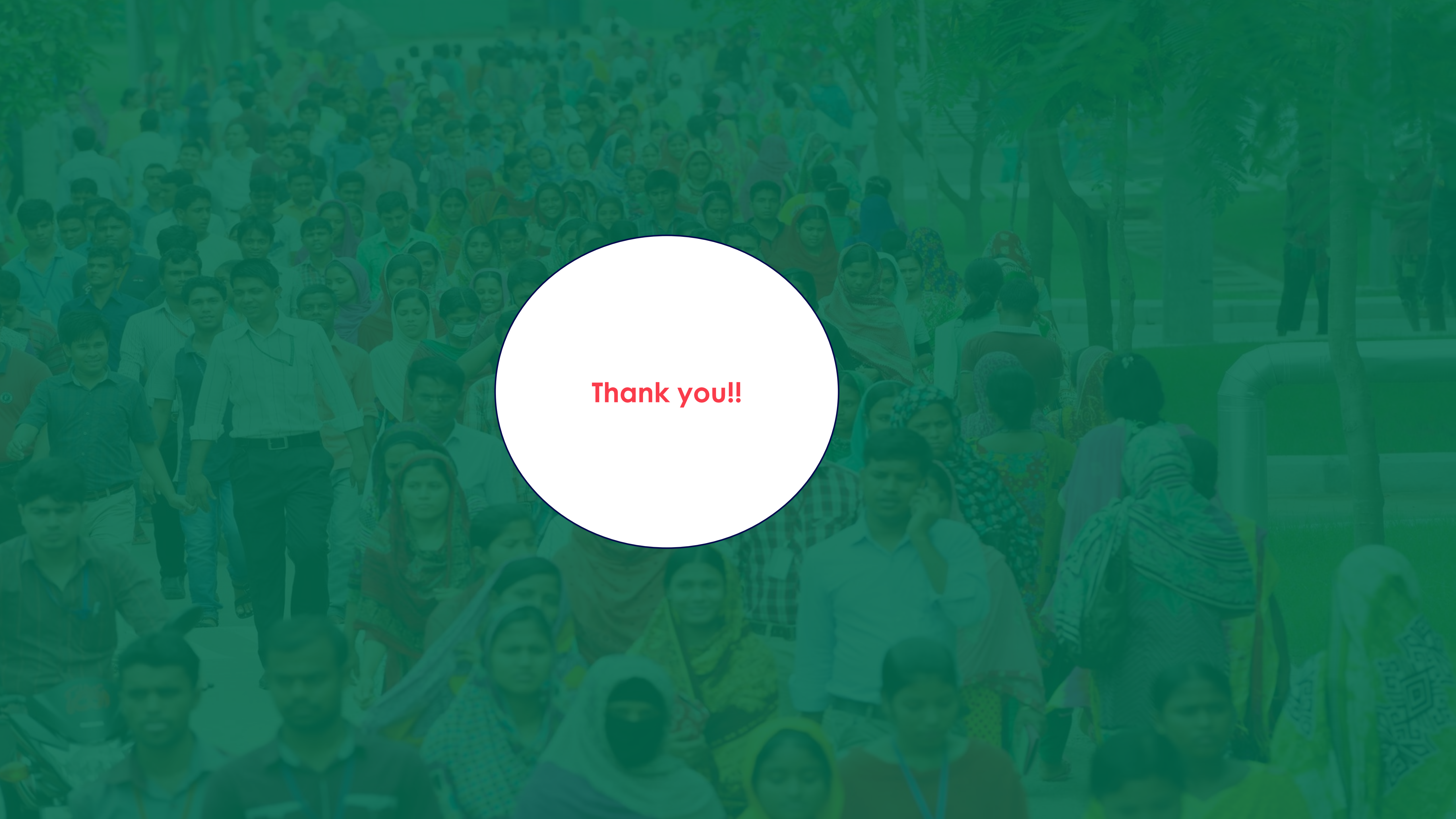
Key questions

- What should be the core categories of risks (accidents, diseases) covered under the national EIS? How should they be defined?
- Should a commuting accident be included under the EIS?
- How should the scheme define and assess impairment and disability?
- How should the assessment process be institutionalized?
- How should the capacity to detect and treat occupational diseases be improved to support fair benefit entitlement?



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Session 2 – Benefit Package (Short and Long Term)

14-15 May 2025

Why this Session is Important

- Defines what workers and dependents receive under the national EIS
- Ensures benefits are timely, fair, and adequate
- Prevents duplication across fragmented schemes
- Integrates lessons from the EIS Pilot and international best practices

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The Two Pillars of Benefits

Short-Term Benefits

Medical and allied care

Rehabilitation

Temporary income replacement

Long-Term Benefits

Permanent disability pensions

Survivors' benefits (incl. funeral costs)

Indexed, periodic payments

→ Goal: **Unified benefit system**, not split across multiple entities

From the EIS Pilot to National Scheme

- Pilot covers:
  - Long-term income replacement
  - Employer provides short-term support directly

- Possible avenue:
  - National EIS integrates both short- and long-term benefits under one institution for:
    - Efficiency
    - Oversight
    - Equity
    - Cost control

Key questions

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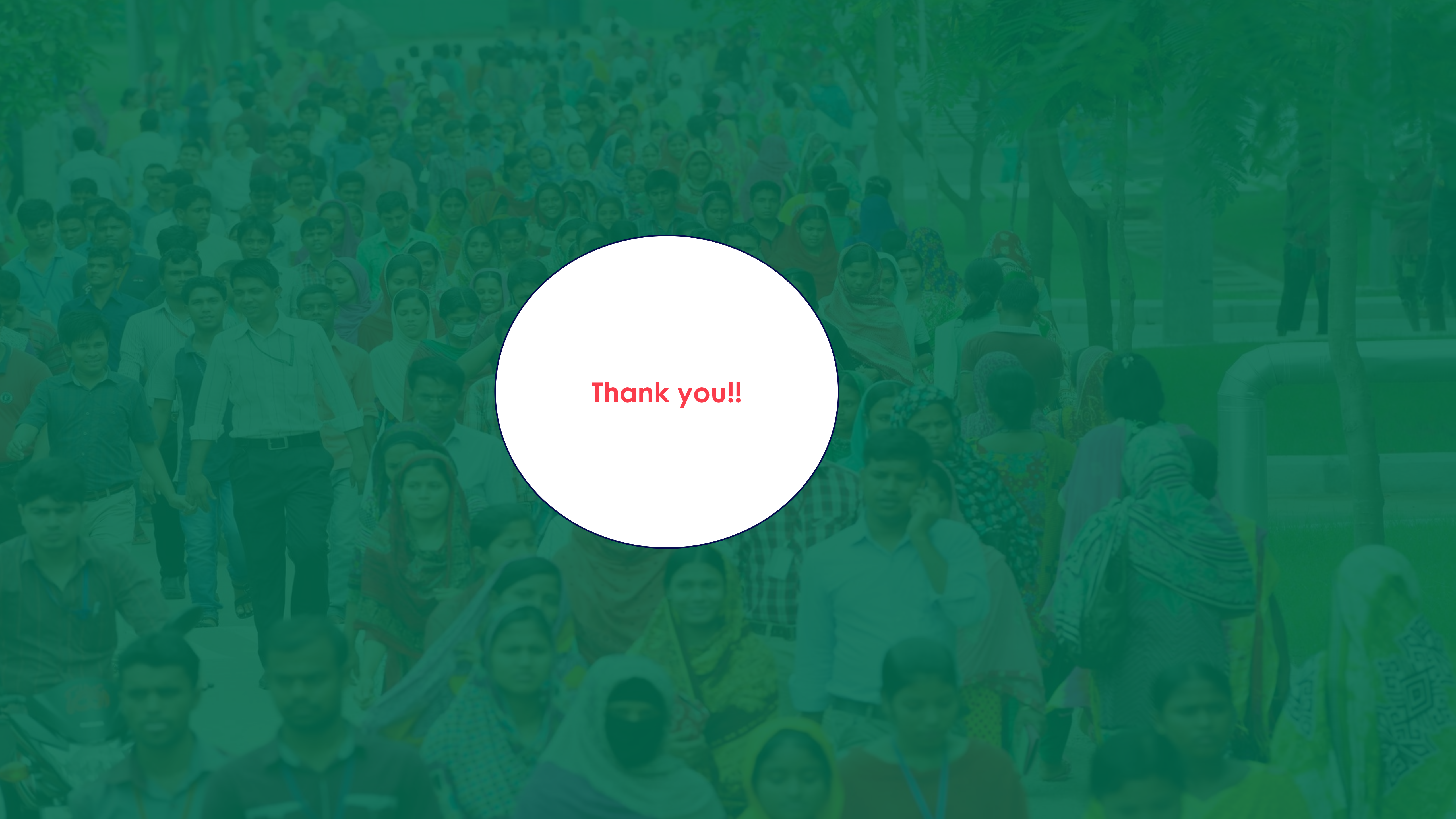
- Should all benefits – both short and long term – be administered by the EIS institution?
    - What are the risks if different benefits remain under separate institutions or schemes?
    - What are the advantages to have all benefits administered by the same institution?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Session 3 – Compensation level and apportionment principle

14-15 May 2025

Why this Session is Important

- To understand the structure of compensation in EIS-Pilot
- Ensures benefit level complies with ILO Convention 121
- Discuss apportionment of benefits among eligible survivors and redistribution options
- What lessons from the EIS-Pilot can be used to feed the national EIS

Minimum levels of benefits of ILO Convention 121

- Temporary or initial incapacity for work: 60% of wage
- Permanent total loss of earning capacity: 60% of wage
- Permanent partial loss of earning capacity: a suitable proportion of the 60% of wage
- Death: Widow with 2 children: 50% of wage
- Pensions should be adjusted to reflect increase in cost of living
- Small pensions can be paid in a lump sum
- Funeral benefit: not less than normal cost of a funeral

Benefits under the EIS-Pilot

- Short-Term Benefits: Not covered by the EIS-Pilot – Remains under the BLA
- Permanent total disability: 60% of wage
- Permanent partial disability: % of disability x 60% of wage
- Death: Between 40% and 60% depending on type(s) and number of eligible dependents
- Pensions reviewed following substantial changes in the general level of earnings resulting from change in CoL

Benefits under the EIS-Pilot

- Eligible dependents: as defined in S.2 §30 of the BLA

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4 (a) A widow, minor child, unmarried daughter, or a widowed mother; and

+ (b) If wholly or partly dependent on the earnings of the worker at the time of his/her death, a widower, father, daughter if widowed, minor brother, unmarried or widowed sister, widowed daughter-in-law, minor son of a deceased son, minor child of a deceased daughter where his/her father is not alive or, where no parent of the worker is alive, the paternal grandparent, son born out of wedlock, and unmarried daughter born out of wedlock

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Benefits under the EIS-Pilot

- Dependency status ends at:

  (a) Death for all dependents;

  (b) Marriage for: widow, unmarried or widowed daughter, unmarried or widowed sister, widowed daugther-in-law, unmarried daughter born out of wedlock

  (c) Attainment of age of majority for: son and daughter, brother and sister, son born out of wedlock and minor child of a deceased daughter, except for disabled children, where it ends when disability ends or at death whichever comes first.

  In the case of death of a permanently disabled worker receiving a pension, who dies from a cause related to the work-related injury, the eligible dependents become entitled to receive a benefit in line with the above criteria

EIS-Pilot – Apportionment of benefits in case of death

- 3 groups were created
  (a) Widow/er, Children (with widow/er) and Full Orphans;
  (b) Parents (mother and dependent father)
  (c) Other dependents.

- Objective: Widow with 2 children receive 50% of wage

EIS-Pilot – Apportionment of benefits in case of death

<table>
<tr><th>Status of eligible dependents</th><th>Compensation in % of reference wage</th><th>Each additional</th><th>Max.</th><th>Redistribute</th></tr>
<tr><td>Widow/er</td><td>40</td><td>Split</td><td rowspan="3">50</td><td rowspan="2">Yes[1]</td></tr>
<tr><td>Children (with widow/er)</td><td>5</td><td>5</td></tr>
<tr><td>Full Orphans[2]</td><td>40</td><td>5</td><td></td></tr>
</table>

(1) If the widow/er ceases to be eligible (death or remarriage), the children are then eligible to receive the full orphans' benefit

(2) When the widower is not eligible (i.e. not financially dependent), the children are then considered as full orphans

EIS-Pilot – Apportionment of benefits in case of death

Status of eligible dependents	Compensation in % of reference wage	Each additional	Max.	Redistribute
Parents				TBD by GB (on principle of fairness)
- No widow/er and no orphan at the time of death and no other dependents	40	Split	40	
- No widow/er and no orphan at the time of death but other dependents	20	Split	40	
- Widow/er with or without children + no other dependent at the time of death	10	Split	60	
- Full Orphans + no other dependent at the time of death	10	Split	60	
- Widow/er with or without children + other dependents at the time of death	5	Split	60	
- Full Orphans + other dependents at the time of death	5	Split	60	

EIS-Pilot – Apportionment of benefits in case of death

Status of eligible dependents	Compensation in % of reference wage	Each additional	Max.	Redistribute
Other dependents				TBD by GB (on principle of fairness)
- No widow/er, no orphan, and no parents at the time of death	40	Split	40	
- No widow/er, no orphan but parents at the time of death	20	Split	40	
- Widow/er with or without children + no parents at the time of death	10	Split	60	
- Orphans + no parents the time of death	10	Split	60	
- Widow/er with or without children + parents at the time of death	5	Split	60	
- Full Orphans + parents at the time of death	5	Split	60	

Key questions

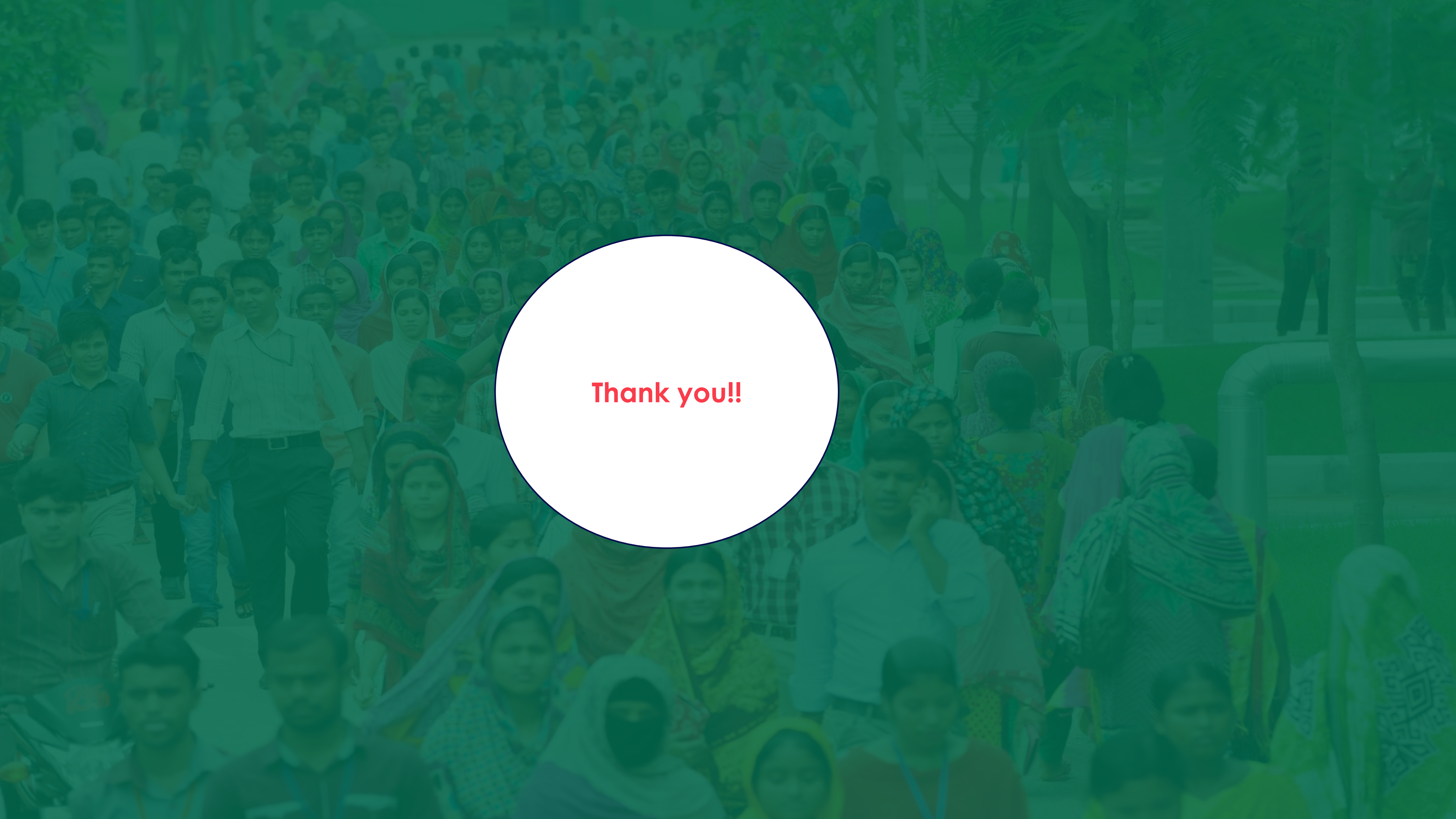
- What compensation levels (for permanent disability and death) are appropriate, in line with international standards?
- What should be the guiding principles for apportioning compensation among multiple eligible beneficiaries
  - Should there be a fixed priority order? If yes, what should it be?
  - Should the widower be treated like the widow?
  - What about redistribution among beneficiaries in case of the death or ineligibility of one of them?
- When should benefits be suspended, reduced or terminated?
- Should there be a maximum insurable wage (ceiling) and, if so, at which level?

Example of ceiling on insurable wage

- Recommendation to the Board of EIS-Pilot: between 4 and 6 times the minimum wage rounded to the nearest 5,000 BDT

  $\Rightarrow$ For example 4 x 12,500 = 50,000 BDT

	Worker A	Worker B
Wage	18,000	80,000
Insurable wage	18,000	50,000
Permanent total disability pension (60% of insurable wage)	10,800	30,000
- in % of wage	60%	37.5%



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Workshop on 'National Employment Injury Scheme: Coverage & Beneifts"

Session-4: Options for coverage

15 May 2025

SESSION 4: WHO IS COVERED? COMPULSORY REGISTRATION

This session addresses one of the foundational questions for the national EIS: Who should be covered and how can they be brought into the scheme? While the long-term vision is clear—that all formal workers in Bangladesh must be protected against work-related injuries—the operational realities require a phased and strategic approach to achieve this goal.

Scaling this success across all formal sectors, however, will depend on establishing a compulsory registration mechanism for both employers and workers.

This session will explore the technical, legal, and institutional requirements for ensuring universal and compulsory registration in the EIS.

Key questions

Key working groups' questions:

1. Should all formal workers (or only all industrial workers) be covered from the outset, or should a progressive coverage model be applied?
2. What about informal sector workers?
3. What sectors are currently ready for inclusion?
4. How can a system of compulsory employer and worker registration be effectively enforced? How to make it universal?
5. What are the responsibilities of the stakeholders in the registration process, and how to ensure compliance?

Definition of Formality

In Bangladesh, formal employment refers to jobs in establishments that are registered with a government authority, and where the worker receives regular wages, is entitled to social protection (such as provident fund, pension, or gratuity), and is covered by written contracts or official documentation (Bureau of Statistics).

As defined by ILO, formal employment refers to employment relationships that are in compliance with national labour laws, taxation rules, and social protection systems.

As per OECD, formal employment is work for which employees or employers contribute to a formal social security system and where workers have legal contracts or protections as per national regulations.

Labour force statistics

Employed population aged 15 or older, by formal/informal employment

As of the 2022 Labor Force Survey1, 31.98 million people (45.4%) are involved in agriculture, 11.97 million (17%) are employed in the industry sector, and 26.52 million (37.6%) work in the service sector

Agriculture

Formal
1.01 million (1.4%)

Informal
30.97 million (44%)

Industry

Formal
1.13 million (1.6%)

Informal
10.84 million (15.4%)

Service

Formal
8.53 million (12.1%)

Informal
17.97 million (25.5%)

Definition of Formality

Who should be eligible for a national EIS ?

Workers who are defined as formal

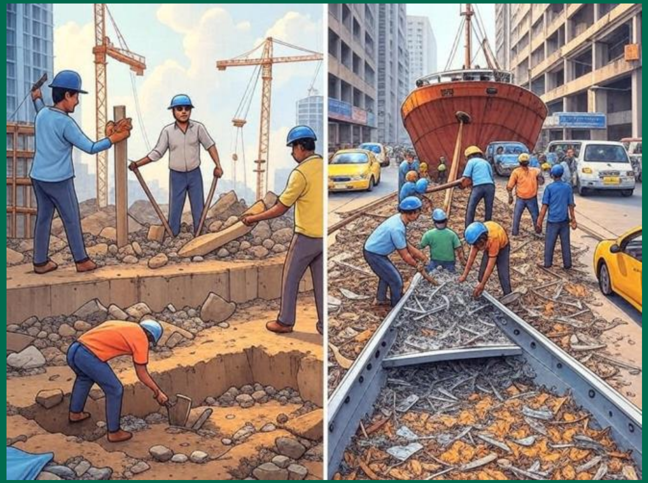
OR

Workers who engaged in income generating sectors defined as formal

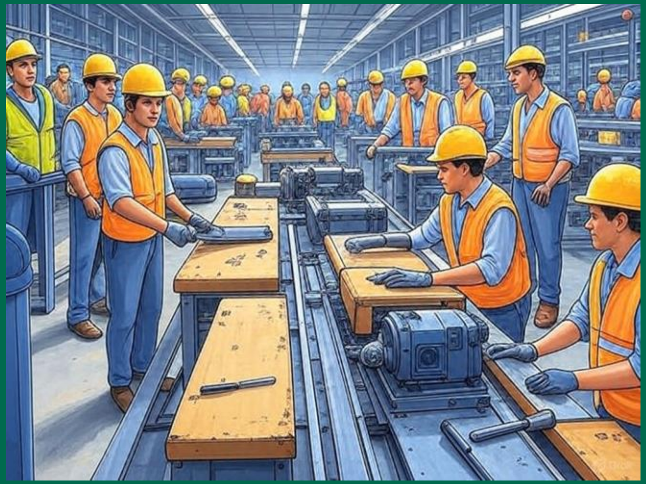
Formal sector workers are not the same as industrial sector workers!
There are formal industrial sectors with a high degree of informal workforce.

- *Should all formal workers (or only all industrial workers) be covered from the outset, or should a progressive coverage model be applied?*

Industries according to characteristics



Risk



Employment

Economic relevance

The Minimum Wage Board defines 47 industrial sectors.

- What sectors are currently ready for inclusion?

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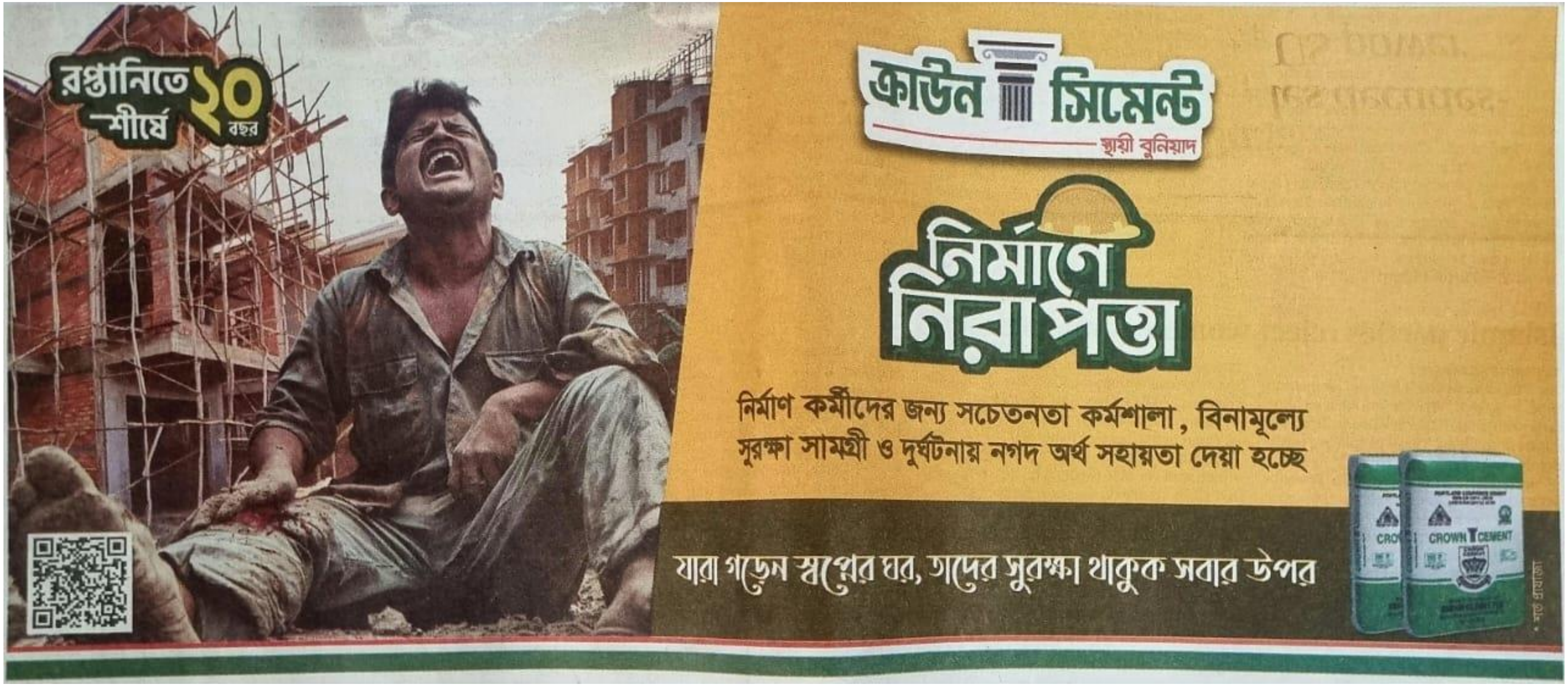
An example



Remembering South Korea

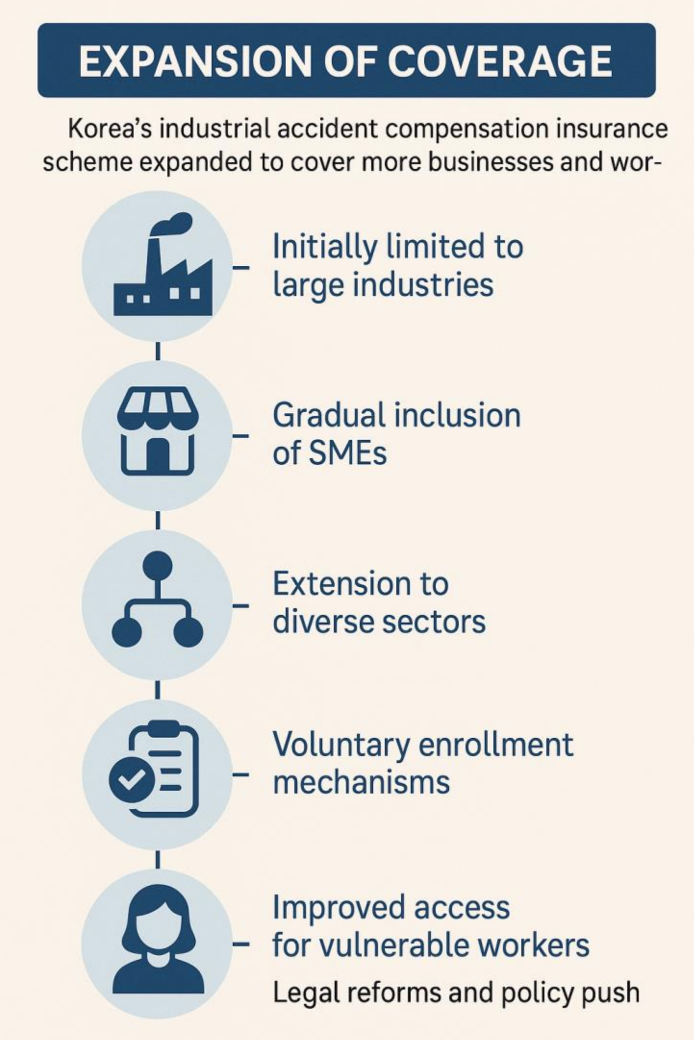
Initial Limitation to Large Enterprises:
When Korea's Industrial Accident Compensation Insurance (IACI) was first introduced in 1964, and later administered by KCOMWEL from 1973, coverage was primarily limited to larger industrial enterprises with a relatively high risk of occupational accidents, such as manufacturing and construction.

Gradual Inclusion of Small and Medium Enterprises (SMEs):
During the 1980s and 1990s, recognizing the vulnerability of workers in smaller firms, a phased expansion to include SMEs was initiated.

Extension to Diverse Sectors:
The scheme, which initially focused on manual labour sectors, was gradually extended to include service industries, public institutions, and later, more precarious and informal employment categories such as part-time, temporary, and freelance workers.

Mandatory and Voluntary Enrolment Mechanisms:
While certain sectors were mandated to enrol, others were allowed to join voluntarily. For example, self-employed individuals and employers in low-risk sectors were given the option to participate in the IACI, thereby promoting wider adoption.

Improved Access for Vulnerable Worker Groups:
Special provisions were made over time to improve access for groups such as female workers, migrant workers, and older employees. These efforts reflected broader labour rights reforms and alignment with international standards.

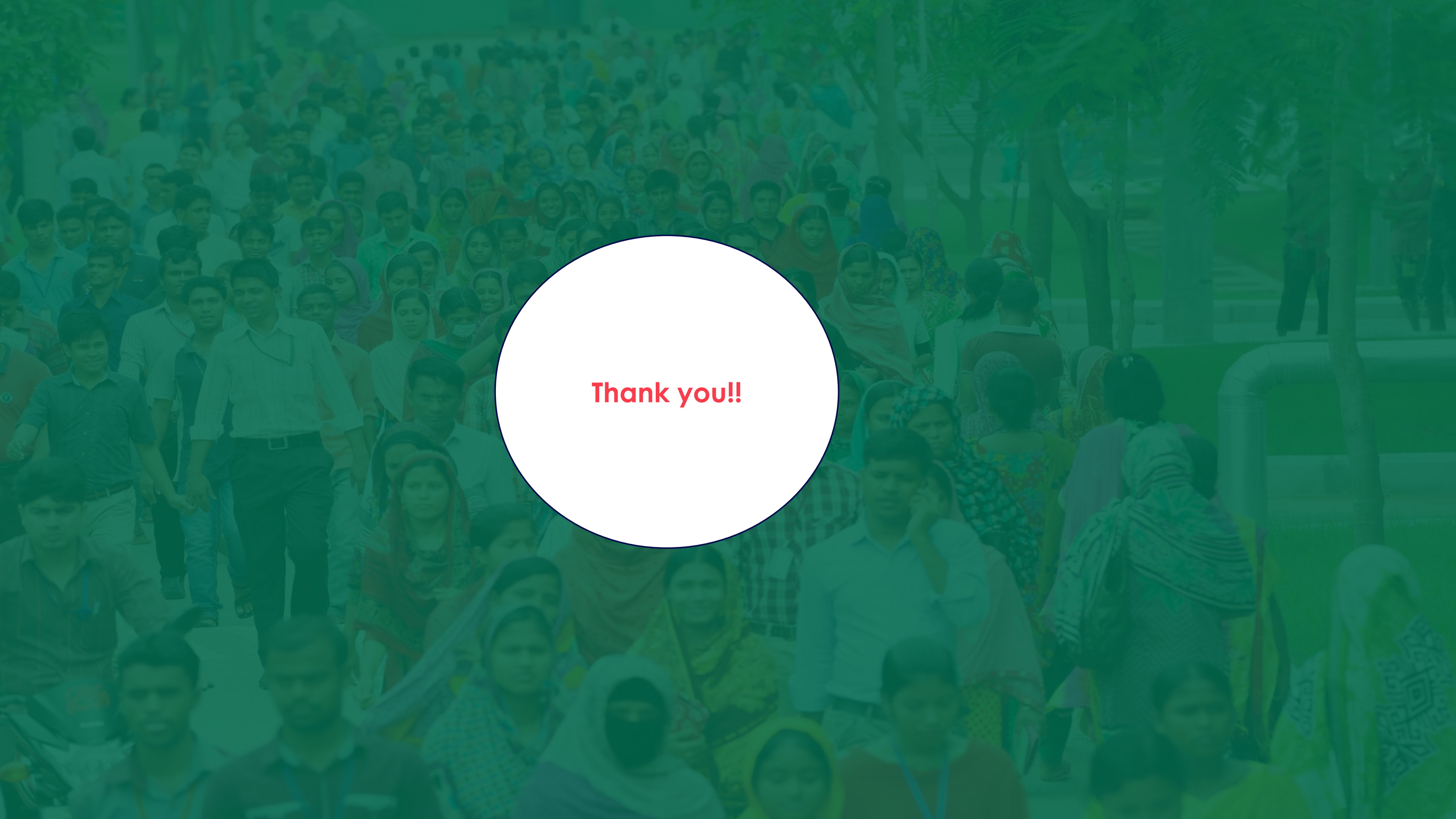


Registration of enterprises

In order to ensure a national EIS to be functional, it is essential that the enterprises of the sectors are registered within the EIS system.

The EIS Pilot has developed a Management Information System.

- *How can a system of compulsory employer and worker registration be effectively enforced?*
- *What are the responsibilities of the government, employers and workers in the registration process, and how to ensure compliance?*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