EIS EMPLOYMENT INJURY SCHEME

PILOT

TRIPARTITE TECHNICAL FRAMEWORK FOR A NATIONAL EMPLOYMENT INJURY SCHEME (EIS)

Government of the People's Republic of Bangladesh
Ministry of Labour and Employment

TRIPARTITE TECHNICAL FRAMEWORK FOR A NATIONAL EMPLOYMENT INJURY SCHEME (EIS)

Presented by:
EIS Pilot Governance Board
(Comprising representatives of the Government, Employers, and Workers)

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EXECUTIVE SUMMARY

Purpose of the Document

This Technical Framework sets out the proposed legal design, institutional arrangements, and operational roadmap for the establishment of a National Employment Injury Scheme (EIS) in Bangladesh. It reflects the tripartite consensus of the pilot's governance board, built on lessons from the EIS Pilot for the Ready-Made Garment (RMG) sector, and provides the foundation for scaling up to a national scheme ensuring protection and compensation for all workers.

Table of acronyms

Bangladeshi Taka	BDT
Bangladesh Employers Federation	BEF
Bangladesh EPZ Authority	BEPZA
Bangladesh Garment Manufacturers and Exporters Association	BGMEA
Bangladesh Knitwear Manufacturers and Exporters Association	BKMEA
Bangladesh Labour Act	BLA
Bangladesh Labour Welfare Foundation	BLWF
Bangladesh Road Traffic Authority	BRTA
Central Fund	CF
Department of Inspections for Factories and Establishments	DIFE
Department of Labour	DoL
Deutsche Gesellschaft für Internationale Zusammenarbeit	GIZ
Employment Injury Scheme	EIS
EIS Governance Board	EIS GB
EIS Special Unit	EIS-SPU
Export Processing Zones	EPZ
International Labour Organisation	ILO
International Social Security Association	ISSA
Management Information System	MIS
Memorandum of Understanding	MoU
Ministry of Expatriates' Welfare and Overseas Employment	MoEWOE
Ministry of Health and Family Welfare	MoHFW
Ministry of Labour and Employment	MoLE
Ministry of Social Welfare	MoSW
Ministry of Women and Children Affairs	MoWCA
National Coordination Committee for Workers' Education	NCCWE
National Social Security Strategy	NSSS
Occupational safety and Health	ISH
Return to Work	RTW
Service Level Agreement	SLA
Sramil Karmachari Oikya Parishas	SKOP
Wage Earners Welfare Board	WEWF

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PART A – TECHNICAL COMPONENTS OF THE EIS SCHEME BASED ON NATIONAL CONSENSUS

1. Historical Background (2015–2025)

The development of the Employment Injury Scheme (EIS) in Bangladesh represents a transformative shift from an employer liability system toward a national social insurance-based protection mechanism. The foundations for this shift were laid in 2013, as part of broader efforts to develop a more formal and transparent system for compensating workplace injuries and fatalities, particularly in the ready-made garment (RMG) sector. The historical evolution of the EIS from 2015 onward is marked by critical policy commitments, stakeholder dialogues, international cooperation, international buyers and phased implementation efforts.

1.1 Legal Basis for Employer Liability under the Labour Act and the Emergence of Employment Injury Benefits

The Bangladesh Labour Act (BLA), 2006, provides the legal basis for employment injury compensation under a traditional employer liability framework, particularly through Chapter XII (Section 151 and Fifth Schedule). In the case of exported RMG, the long-term compensation for death or permanent disability is delivered through the Central Fund, financed by a 0.03% levy on export orders.[1] While the Central Fund's operations represented an important institutional step, its lump-sum payment structure and absence of medical or rehabilitation benefits underscored the need for a more comprehensive and sustainable system aligned with ILO Employment Injury Benefit Convention, 1964 (No. 121). In sectors other than export-oriented RMG (such as domestic industries or service sectors), the Bangladesh Labour Welfare Foundation (BLWF) may provide discretionary financial assistance or lump-sum grants to workers or their families in cases of death or permanent disability at work, in addition to the compensation to be paid by the employer under the BLA.

Following the report of the Labour Reform Commission, the BLA was amended on 17 November 2025 to introduce Section 151A, which requires the Government to establish an Employment Injury Scheme Fund and to define its governance, benefit package, and financing mechanisms. This reform signals a shift from exclusive employer liability toward a social insurance approach; once the Fund becomes operational for a sector, employers contributing to it are expected to be relieved of direct compensation liability under the prior employer-liability provisions.

1 BLA Rules, 2015, Rule 214 (A).

1.2 Policy Commitments in the National Social Security Strategy (NSSS 2015)

In 2015, the Government of Bangladesh adopted the National Social Security Strategy (NSSS), which introduced a vision for a National Social Insurance Scheme (NSIS) covering multiple risks, including employment injury. This strategy marked a shift from targeted, non-contributory benefits toward universal and contributory social insurance schemes. Within this broader reform agenda, employment injury protection was identified as a key area for transformation. Later that same year, a Letter of Intent was signed between Bangladesh, Germany, and the ILO, expressing commitment to explore a formal EIS in line with international standards. This step was recognized as part of Bangladesh's obligations under the Bangladesh Sustainability Compact (2013) and the National Tripartite Plan of Action (NTPA) on Fire Safety and Structural Integrity in the RMG Sector. Building on years of dialogue and technical cooperation, the Berlin Declaration (September 2019) reaffirmed the commitment to pilot an Employment Injury Scheme.

In 2019, as part of a complaint under Article 26 of the ILO Constitution, the Government of Bangladesh committed to establishing a national Employment Injury Scheme, as outlined in a roadmap submitted to the ILO Governing Body.[2]

Furthermore, under a €285 million EU budget support programme launched in 2020 during the COVID-19 crisis, the Government of Bangladesh committed to a set of policy actions linked to the Social Protection Programme for Unemployed and Distressed Workers (SPPUDW). Among these, the establishment of a sound Employment Injury Scheme (EIS) was identified as a key condition for the disbursement of successive funding tranches.

Finally, in 2023, the Government of Bangladesh reaffirmed its commitment to establishing a national EIS as part of the policy actions agreed under the second Policy-Based Lending (PBL) programme with the Asian Development Bank (ADB), valued at USD 500 million. The EIS, alongside other social reforms, was included as a core component of the programme's social protection agenda.

1.3 Launch and Objectives of the EIS Pilot in the RMG Sector

Despite initial delays caused by COVID-19 pandemic, tripartite stakeholders agreed to start the Pilot on EIS in 2021. This milestone was followed by the formation of the Tripartite Technical Committee (February 2021) and the development of an EIS General Framework, formally endorsed in March 2022, and covering up to four million workers in approximately 3,000-4,000 export-oriented RMG factories. The official launch of the EIS Pilot took place on 21 June 2022. The EIS Pilot was designed to operate for five (5) years with voluntary financial contributions from international brands. It began with seven (7) participating brands and expanded to more than 85 brands by November 2025. Each brand contributes 0.019% of its sourcing value from Bangladesh to the EIS Pilot, with payments channelled through the ILO.

2 The latest report of the Government presented to the ILO Governing Body can be found on the ILO Governing Body website.

The EIS Pilot was designed to:

- Deliver long-term pension benefits for workplace deaths and permanent disabilities;
- Ensure risk-sharing compensation mechanism;
- Build institutional transparency and accountability;
- Establish a transparent Management Information System (MIS)-based claims management system;
- Strengthen tripartite governance and institutional accountability;
- Generate actuarial data to support the transition toward a national EIS;
- Collect data on work-related accidents from a representative sample of factories;
- Align progressively with ILO Convention No. 121 and instil trust amongst the stakeholders.

The EIS Pilot is implemented under the Central Fund, housed within the Ministry of Labour and Employment (MoLE). A 12-member Tripartite Governance Board provides strategic oversight, comprising six representatives from the Government, three from employers' organizations, and three from workers' organizations. Representatives from the ILO, GIZ, and participating brands serve as observers.

1.4 Key Lessons Learned from the EIS Pilot and Its Evaluation

Throughout its first three years, the EIS Pilot has achieved significant operational and political **milestones**:

- A dedicated EIS Special Unit was established under the Central Fund to manage claims, outreach, and payments;
- The number of contributing international brands grew from 7 in 2022 to over 85 by September 2025, demonstrating wide-ranging private sector support and ensuring financial sustainability;
- A digital Management Information System (MIS) was developed including a dedicated VBA Tool to accurately calculate long-term benefits in line with legislative provisions based on the age and wage of workers;
- The EIS Pilot expanded its scope to include commuting accidents (from July 2024);
- The EIS Pilot became fully operational in the EPZs under the authority of BEPZA and began replication in the footwear and leather sector in early 2025;
- Several rounds of stakeholder consultations, international study visits, and training were conducted to build national capacity.

The EIS Pilot has also generated valuable insights into the feasibility, affordability, and scalability of employment injury protection in Bangladesh. These lessons offer critical guidance for future policy development, expansion to other sectors, and integration into the national social protection framework:

- The EIS Pilot has demonstrated that a universal scheme covering all workers in the RMG sector is feasible in a country like Bangladesh;
- The cost of implementing a universal social protection scheme in the RMG sector is relatively low—approximately one dollar per worker per year;

- Regular annual financial audits, actuarial assessments, and issuance of quarterly and annual business and financial reports, have set a new standard of financial integrity, transparency and accountability in the areas of social insurance;
- The tripartite governance system adopted by the EIS Pilot has proven that credible financial management and oversight are achievable in Bangladesh;
- The growing number of contributing brands reflects increasing confidence in the credibility and sustainability of the EIS Scheme;
- The EIS Unit has established a strong technical capacity and a competent case management system, now sought after by other institutions.
- The EIS Pilot has effectively demonstrated how national stakeholders can fully understand and comply with all the provisions of an international standard — ILO Convention No. 121 — through a systematic approach.
- The EIS Pilot has also identified critical gaps in the implementation of occupational disease management in Bangladesh, including shortcomings in the legislative framework and in the capacity of the healthcare system to diagnose, treat, and assess occupational diseases.

Independent reviews and stakeholder feedback have affirmed the proof-of-concept value of the EIS Pilot, while also identifying critical areas for improvement—particularly around legal harmonization, financial contribution by national system, claims processing timelines, awareness among workers and employers, and coordination with existing national institutions.[3]

1.5 Need for Institutionalization of an EIS National Scheme

As the EIS Pilot moves toward its expected conclusion in 2027, national and international stakeholders increasingly recognize the need to embed the Scheme into a permanent legal and institutional framework. Key preparatory actions are underway to support the transition to a nationally owned Employment Injury Insurance Scheme (EIS).

A central focus is the potential transformation of the EIS Pilot into a full-fledged scheme capable of administering long-term benefits, managing claims, collecting contributions and investing reserved assets, and maintaining systems for governance, reporting, and coordination. Discussions are underway to define the necessary legal mandate, governance structure, and administrative capacities for such an evolution. The recent adoption of Section 151A of the BLA—mandating the Government to establish an Employment Injury Scheme Fund and define its governance, benefit package, and financing mechanisms—constitutes a significant legal milestone supporting this institutional transition.

In parallel, efforts are being made to replicate the EIS Pilot beyond the RMG sector, in order to test the Scheme's scalability and relevance in other industries, including those with higher occupational risks.

Stakeholders are also exploring how to leverage existing institutions, such as the Central Fund (CF), the Bangladesh Labour Welfare Foundation (BLWF), and potentially other sectoral agencies such as the Bangladesh Road Transport Authority (BRTA), and the Wage Earners Welfare Board

3 See, for example, Centre for Policy Dialogue (CPD), *The Employment Injury Scheme (EIS) of Bangladesh, An interim review study*, 2025.

(WEWB), to support the delivery and governance of a future national EIS. These discussions consider both institutional efficiency and legal viability.

Rather than a fixed roadmap, the transition process is guided by an incremental and consultative approach, grounded in evidence from the EIS Pilot and informed by international best practices. These efforts are laying the foundation for the gradual realization of a nationally administered, contributory EIS Scheme, aligned with the objectives of the NSSS, the NSIS, and Bangladesh's broader commitments to international labour standards.

2. Core Parameters of the EIS Design

This section outlines the core principles and legal foundations that guide the design and implementation of the national EIS, ensuring its alignment with international standards and national policy objectives. These principles were discussed and understood by national stakeholders, fostering a shared understanding and ownership of the framework.

2.1 Policy Vision: From Employer Liability to Social Insurance

The policy vision for the national EIS centres on replacing the existing employer-liability mechanism under the Bangladesh Labour Act (BLA) with a nationally administered, contributory social-insurance scheme. This shift addresses the limitations of the current system—restricted coverage, lump-sum compensation for long-term benefits, and weak enforcement—by creating a unified model that guarantees workers' rights to compensation without having to prove that the employer was responsible for the accident.

Key components of this transformation include:

- **Collective financing:** contributions pooled nationally, ensuring risk-sharing among employers of the same sector.
- **Professional administration:** a dedicated EIS Authority under tripartite oversight, capable of managing claims, maintaining a digital MIS, and delivering benefits efficiently.
- **Predictable benefits:** replacement of lump-sum payments by periodic, pension-based compensation, ensuring long-term security for victims and dependants.
- **Phased expansion:** The Scheme will be implemented in stages, starting with sectors that have secured funding and well-defined and known occupational risks. It will gradually extend to all economic sectors, guided by clear, time-bound milestones.

This model is framed within Bangladesh's long-term objective of building a National Social Insurance System (NSIS), with the EIS as its first operational branch, paving the way for future inclusion of sickness, maternity, and unemployment insurance.

2.2 Underlying Principles: No-Fault, Solidarity, Equity

The national EIS is grounded in internationally recognized social insurance principles, which have been reaffirmed through national workshops and extensive stakeholder consultations. These principles form the ethical and operational foundation of the Scheme:

- **No-Fault –** benefits are provided without requiring proof of employer negligence, ensuring prompt protection for all victims. This applies only to the accident and benefit payment and does not preclude other forms of responsibility, such as those related to safety or negligence.
- **Sector-Based Risk Pooling –** Each economic sector contributes to and finances its own employment injury risks. This ensures fairness and actuarial balance, avoids cross-subsidization between low- and high-risk sectors, and maintains financial sustainability within each sector.
- **Equity and Inclusion –** equal treatment for men and women, permanent and temporary employees, across all sectors. The EIS Pilot already recognizes widows and widowers equally in survivor benefits.

- **Phased Implementation for benefits** — in line with the progressive realization principle, the national EIS will first cover long-term benefits (e.g., death and permanent disability), followed by rehabilitation and short-term benefits (e.g., short-term income support and medical and allied care) as institutional capacity matures.
- **Transparency and Tripartism** — governance through equal representation of government, employers, and workers, supported by codes of conduct, ethics policies, and internal oversight mechanisms consistent with the International Social Security Association (ISSA) guidelines.

These principles reflect the pragmatic and progressive approach outlined in the 2022 EIS General Framework, which recognized that these foundational values are essential for a sustainable and credible transition to a national social insurance model. Furthermore, the shift from employer liability to social insurance strengthens incentives and capacity for occupational injury prevention, by embedding workplace safety into a system-wide approach.

2.3 Normative Alignment with ILO Convention No. 121

The EIS is designed to progressively align with the ILO Employment Injury Benefits Convention, 1964 (No. 121), even before formal ratification. Key areas of alignment include:

- **Scope and Entitlements**: EIS coverage will eventually encompass all work-related accidents and occupational diseases, ensuring benefits such as temporary and permanent disability benefits, survivors' benefits, funeral grants, rehabilitation and comprehensive medical care.
- **Adequacy and Duration of Benefits**: Periodical benefits will be based on earnings replacement (between 40 to 60%), with pensions payable for life or until majority or remarriage (for survivors), in line with Convention No. 121 guidelines and the EIS Pilot practice and experiences.
- **Institutional Framework**: The EIS Authority will be a dedicated body with financial autonomy and fiduciary responsibility, operating under tripartite governance. This reflects global best practices in EII schemes, including models from Cambodia, Malaysia, South Korea and Tanzania, some of them used as benchmarks in the ILO's feasibility assessments.

By anchoring the EIS in both national commitment and international standards, the Scheme establishes a credible, forward-looking pathway toward comprehensive social protection for Bangladeshi workers and industries.

3. Coverage and Effective Protection Design

The national EIS in Bangladesh defines coverage not as a bureaucratic registration process but as a guarantee of effective protection for all workers whose labour contributes to production.

Building on lessons from the EIS Pilot, the national EIS maintains the principle of "functional inclusion," ensuring that every worker involved in producing a good or service is entitled to compensation and benefits in the event of a work-related injury or death.

This pragmatic approach recognizes that effective coverage depends on two mutually reinforcing elements:

1. Broad inclusion of all productive workers regardless of contractual status; and
2. Reliable financing and delivery mechanisms that make protection real, timely, and sustainable.

3.1 From Legal to Effective Coverage

Under the traditional employer-liability model of the BLA, coverage is defined by law but typically extends only to workers with formal employment contracts. The EIS Pilot changed this logic by introducing the "functional coverage principle." As stated in the March 2022 General Framework:

Any worker who contributes to the RMG sold to international buyers is covered in case of work-related injuries.[4]

The Pilot's event-driven approach ensures that coverage begins on the first day of work, while still encouraging employers to regularize their workforce.

In the future national EIS, effective protection will be guided by a deliberate and structured protection expansion strategy to ensure that, within a defined period, legal and effective coverage coincide. This process will rely on systematic enterprise-level verification and compatible data systems that enable the secure exchange of relevant information between the EIS Scheme, DIFE, MoLE, the Central Fund, BLWF, and other relevant institutions. The data generated through these mechanisms will enable the assessment of sectoral risk profiles and the identification of appropriate and sustainable sources of funding.

3.2 Pathways to Effective and Equitable Inclusion: Defining the Breath of Protection

The breadth of protection under the national EIS defines *who* is entitled to benefits and *how far* the Scheme extends across sectors, enterprises, and categories of workers. In line with new Section 2(30) of the BLA and the EIS Pilot's practice, the national EIS recognizes both workers and their dependants as beneficiaries entitled to receive compensation in the event of death or disability. This ensures that protection extends beyond the worker to the family members who rely on their income.

4 General framework, p. 3. The same is mentioned in the EIS Pilot document on financial compensation adopted on 17 May 2023, par. 1 "Eligibility".

Building on the success of the EIS Pilot, which demonstrated that export-oriented RMG enterprises can be effectively covered, the national EIS will commence implementation immediately in the export RMG sector, as well as in export-oriented footwear and leather industries, where similar supply-chain structures and compliance systems exist. These sectors provide a solid institutional and financial base for early operationalization.

Where adequate funding and institutional readiness are available, effective coverage in other sectors should not be postponed. The goal is to progressively ensure that all workers exposed to employment injury risks—regardless of industry or enterprise size—are protected in practice, not merely in law.

The gradual extension of the EIS to additional sectors will follow a structured approach based on:

- Sectoral risk analysis to assess injury prevalence and exposure;
- Financial feasibility studies to determine contribution rates, existing funding sources and sustainability; and
- Governance adjustments to accommodate new industries and stakeholders.

During this transition, the national EIS and the employer-liability system under the BLA will coexist, ensuring uninterrupted protection for workers while institutions strengthen their administrative capacity. One of the essential tasks of the future EIS Scheme (its governance board) will be to develop a national roadmap for progressive extension, establishing clear timelines and a target date by which only the national EIS will remain in operation.

3.3 Employer Participation, Identification and Compliance

Although individual worker registration is not a prerequisite for benefit entitlement, employer registration and contribution compliance remain the foundation of national social insurance.

Enterprises participating in the EIS Scheme will:

- Register through digital systems, allowing the secure exchange of relevant information with DIFE, the Central Fund and BLWF;
- Be responsible for ensuring funding, according to prescribed sectoral rates and/or existing funding sources;
- Be responsible for promptly notifying relevant authorities of any occupational accidents in accordance with prescribed rules;
- Maintain verifiable records of their workforce to facilitate claims in the event of work-related injuries; and,
- Collaborate with the EIS Authority to ensure swift treatment and payment of claims.

3.4 Pathway to Progressive Expansion

A key element of the national EIS's pathway to progressive expansion is the search for financing models that can sustain the Scheme as coverage broadens across sectors and enterprises. Under the existing employer-liability system, compensation depends on each enterprise's ability to pay after an accident, which could result in delays or uneven outcomes. The EIS Scheme replaces this with a pre-funded, collectively financed system, ensuring timely and uniform protection for all covered workers.

While employment injury schemes are typically funded through wage-based employer contributions, the EIS Pilot is testing sector-specific, production-linked mechanisms that offer predictable, equitable, and adaptable financing tied to measurable economic activity:

- **Ready-Made Garments and Export Industries:** a small percentage of export value, paid by factories or through brand-factory arrangements, tying contributions to production output and ensuring predictable revenue as exports grow.
- **Ship Recycling:** a levy based on the tonnage of ships dismantled (LDT), aligning contributions with sector-specific risk and income flows.
- **Construction:** a contribution calculated as a percentage of the total project or building value, collected at approval or through contract clauses, ensuring that all site workers are protected.
- **Several other sectors**: a contribution calculated as a percentage of the total of revenues or the value of products or services sold.

By diversifying contribution methods, the Pilot is laying the groundwork for a financing framework that can scale progressively while ensuring:

1. **Predictability** – contributions linked to measurable production indicators create stable, transparent revenue flows for actuarial planning.
2. **Equity** – contributions ensure fair burden-sharing as the Scheme expands to new sectors.

The next chapters of this technical framework detail the key components of the national EIS.

4. Benefits Package

The benefits provided by the national EIS aim to improve the health and well-being of injured workers, enabling them to return to work and financially support themselves or their dependent family members in case of death. The EIS national Scheme will progressively establish a comprehensive system of protection for all workers affected by work-related injuries, consistent with ILO Convention No. 121.

Building on the experience of the EIS Pilot, the national EIS Scheme will begin with a first phase focusing exclusively on long-term benefits—namely, permanent disability and survivors' benefits —while maintaining the existing employer-liability system for short-term contingencies (medical care and short-term income support). The gradual inclusion of rehabilitation and short-term benefits will be considered once adequate administrative, medical, and institutional capacities have been developed. Preparatory actions for capacity building in these areas are already underway.

4.1 Short-term Benefits

Although not part of the initial implementation phase, short-term benefits remain an essential component of the future national EIS. Preparatory activities will focus on strengthening medical infrastructure and access, developing benefit delivery systems (relying on the process already in place for long-term benefits), and ensuring readiness for eventual integration into the EIS.

4.1.1 Medical and Allied care

Under the BLA, the provision of medical and allied care remains the responsibility of employers, who are required to cover the cost of treatment for a worker injured on the job until the worker has fully recovered.[5] The EIS national Scheme will first focus on:

- **Mapping and enlisting medical facilities** to establish a national network of occupational health providers.
- **Upgrading existing labour welfare centres** and creating specialized service desks in industrial areas to deliver occupational diagnosis and treatment for both accidents and diseases.
- **Developing medical guidelines and training kits to implement First and Third Schedules of the BLA**

These preparatory actions will ensure that, when medical care is fully integrated into the national EIS, it will be timely, standardized, and equitable across sectors, as expressed and wished by national stakeholders, and will be supported by an effective payment system for medical service providers.[6]

5 BLA, Section 89(7).

6 Report of Workshop No. 1, in particular discussions on risk coverage (pp. 4-5).

4.1.2 Temporary Incapacity Benefits (Short-Term income replacement)

At a later stage, the EIS national Scheme will provide temporary income replacement for workers unable to work due to work-related injury.

The eventual design is expected to follow national and international best practice:

- **Eligibility:** All insured workers incapacitated for at least four days.[7]
- **Benefit level:** Around two-thirds of average insurable earnings, payable until recovery or assessment of permanent disability.[8]
- **Duration:** Up to 12 months, extendable under medical certification.
- **Payment:** Periodic cash benefit delivered through the EIS national Authority, following practices developed for long-term benefits.

Until these mechanisms are established, the current employer-liability arrangements will continue, while capacity-building measures will test administrative, verification, and payment systems needed for future implementation.[9]

4.2 Long-term Benefits

Long-term benefits will form the core of the National EIS during its first phase of implementation. Based on the EIS Pilot practice, they ensure continuous income replacement for workers permanently disabled due to occupational accident or disease, and for dependents of deceased workers at work.

4.2.1 Permanent Disability

Permanent disability benefits compensate for the lasting loss of earning capacity resulting from work-related accident or occupational disease.

Key features of the national EIS based on the practice of the EIS Pilot are:

- **Assessment:** Based on revised and modernized schedules of impairments and occupational diseases, First and Third Schedules of the BLA.
- **Benefit rate:** 60% of the previous insurable earnings of the injured worker [X] the degree of disability (100% for total, partial for lesser degrees).
- **Payment form:** Lifetime periodic pension; lump-sum settlement may apply to minor impairments and under strict conditions.
- **Indexation:** Periodical adjustment to preserve real value.

To the above benefits, the national EIS will add an **attendance allowance** aiming at covering the required constant personal care, when appropriate.

These benefits continue the tested approach under the EIS Pilot, ensuring predictability and alignment with ILO Convention No. 121.[10]

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7 BLA, Section 151(1)(d).

8 BLA, Fifth Schedule.

9 2022 General Framework, pp. 8-9; Report of Workshop No. 1, in particular discussions under “Benefit package”, pp. 4-5.

10 *Idem*.

4.2.2 Survivors' Benefits

Survivors' benefits are payable to the dependants of an insured person who dies as a result of a work-related injury.

Key features of the national EIS based on the practice of the EIS Pilot are:

- **Eligible dependants:** Spouse (widow or widower) and children, dependent mother and father, and other parents, in line with new Section 2(30) of BLA.
- **Benefit level:** 40-60% of the deceased worker's previous insurable earnings, depending on the number and categories of beneficiaries, as tested under the EIS Pilot.[11]
- **Distribution:** Fixed shares and priority rules tested in the EIS Pilot, ensuring gender equality between widow and widower and fair redistribution.[12]
- **Duration:** Lifetime for widows (or until remarriage) and until majority or marriage (girls) for children.
- **Funeral grant**: as per Section 19 BLA, this amount - to be made promptly available to the next-of-kin - is to cover the burial or cremation in cases of death due to work-related injury.
- **Payment form:** Lifetime periodic pension; lump-sum settlement may apply to minor impairments under strict conditions.
- **Indexation:** Periodical adjustment to preserve real value.

The EIS Scheme will maintain the Pilot's principles of fairness and proportional redistribution, ensuring that compensation remains transparent and equitable.

11 Report of Workshop No. 1, in particular discussions under "Compensation levels and apportionment principles", p. 6.

12 See the EIS Pilot Compensation Document as approved on 10 May 2023, reproduced in Annex XXX.

4.3 Rehabilitation and Return-to-Work Services

Rehabilitation and return-to-work (RTW) services are recognized as a critical component of a comprehensive national EIS. They support the broader aim of prevention by minimizing long-term harm and promoting safer work environments. However, given the current institutional, financial, and technical constraints, these services will not be implemented during the initial phase of the National EIS.

At present, the national system lacks the specialized infrastructure, trained personnel, and financing mechanisms required to provide systematic rehabilitation and reintegration services to injured workers. Before such services can be introduced, a detailed costing exercise, policy development, institutional design and capacity building process must be completed to ensure long-term sustainability and coherence with other national social protection and health frameworks.

During the first phase of the national EIS, preparatory actions will therefore focus on:

- **Conducting a comprehensive costing and feasibility study** to determine the financial implications and funding options for rehabilitation and RTW services.[13]
- **Defining a national policy framework** for medical, physical, psychosocial, and vocational rehabilitation, aligned with ILO standards and the NSSS.
- **Mapping existing rehabilitation resources** within public hospitals, labour welfare centres, and private facilities to identify potential integration pathways.
- **Developing standards and protocols** for rehabilitation and workplace reintegration.
- **Building institutional and technical capacity** by designing relevant training and accreditation/enlisting pathways, and strengthening the EIS Authority's ability to contract, supervise and monitor rehabilitation and RTW services.

Implementation of rehabilitation and RTW services will be considered in a subsequent phase of the national EIS, once adequate resources and institutional capacity are secured. In the interim, the EIS national Scheme will collaborate with the Ministry of Labour and Employment, the Ministry of Health, and social partners, amongst others, to prepare the policy, governance, and financing foundations necessary for future rollout.[14]

13 The costing analysis will be based on the previous feasibility studies carried out since 2015 in this field.

14 ILO Guidance Note on Establishing an employment injury scheme in Bangladesh, May 2025; and Report of Workshop No. 1, in particular discussions under "Benefit Package", pp. 5-6.

5. Governance and Administration

The effectiveness, legitimacy, and sustainability of the national EIS will rely on a sound governance and administrative framework. Drawing on the experience of the EIS Pilot and international standards, the Scheme will be governed through a transparent, inclusive, and accountable structure, ensuring tripartite oversight, clear institutional roles, and efficient service delivery.

5.1 Tripartite Governance Structure and Sectoral Representation

Based on the practice of the EIS Pilot, the national EIS will be governed by a Tripartite Governance Board composed of 11–15 members, with equal representation from government, employers, and workers. All individuals should meet fit and proper standards and be able to contribute to the work of the EIS national Scheme, covering all relevant areas of expertise and experience. The Chair of the Governance Board will be appointed by the Minister of Labour and Employment (MoLE), with representatives from MoLE, Cabinet Division, Ministry of Finance, the Bangladesh Employers' Federation (BEF), trade union federations (e.g., NCCWE, SKOP), and sectoral organizations. This model aligns with ILO Convention No. 121 and ISSA Guidelines on Good Governance.[15]

Sector-specific subcommittees will be formed under the Governance Board to ensure targeted representation and policy input as coverage expands beyond the RMG and leather sectors. Observers and technical experts, including those from the ILO and GIZ, may support governance functions without voting rights.[16]

Based on the practice of the EIS Pilot and its governance rules,[17] the Governance Board of the national EIS is responsible, amongst other things, for the strategic planning, the Scheme's financial statements, and its policies related to financing. It will be guided by acknowledged international standards of good governance to ensure transparency and accountability. Its role, functions and responsibilities will be further developed in the EIS law and regulations. The Governance Board shall adopt internal rules, a Funding Policy, as well as an Investment Policy.

5.2 Institutional Functions and Responsibilities

A dedicated EIS Authority will be established to administer the national Scheme, building on the operational and institutional foundations laid by the EIS Pilot. The Authority shall be a body corporate with legal personality and administrative independence. However, it shall remain subject to the strategic governance and oversight of the Governance Board.

15 Report of Workshop No. 2, in particular pp. 6-7.

16 *Idem*.

17 See EIS Pilot Governance Rules as approved on 10 May 2023, Annex XXX.

Its development will follow a phased approach aligned with the scope of benefit delivery:

1. Initial Phase – Scaling from the EIS Pilot:

The Authority will initially focus on the **effective delivery of long-term benefits**—such as survivors' and permanent disability benefits—in sectors where funding is secured, and occupational risks are clearly identified. The authority will gradually expand coverage to other economic sectors in line with defined eligibility criteria and funding mechanisms.

2. Intermediate Phase – Introduction of Rehabilitation Services:

As operational and technical capacity strengthens, the Authority will gradually integrate rehabilitation and return-to-work services. This includes coordination with medical institutions, vocational reintegration services, and social protection actors to ensure a comprehensive response to work-related injuries.

3. Final Phase – Delivery of Short-Term Benefits and Medical Care:

In its mature phase, the Suthority will be responsible for administering short-term cash benefits (e.g. temporary incapacity benefits) as well as medical services, in coordination with public health providers. This vertical extension of services will complete the transition to a full employment injury insurance model, in line with ILO Convention No. 121.

This progressive expansion—both horizontally across sectors and vertically across types of benefits—will require a gradual institutional strengthening process. Staffing, technical systems, inter-agency coordination, and regulatory frameworks will be scaled accordingly, with support from national and international partners.

The EIS Authority is ultimately expected to evolve into a fully-fledged Social Security Institution (SSI), as foreseen in the National Social Security Strategy (NSSS). This positions the EIS Scheme as the foundational pillar of a broader, integrated social protection system that may eventually include maternity, sickness, and unemployment benefits.

5.3 Core Operational Functions for the Administration of Long-Term Benefits

To ensure the effective and accountable delivery of long-term benefits under the national EIS, the EIS Authority will be structured around a set of clearly defined operational functions. These functions are based on the lessons learned from the EIS Pilot and aligned with international good practices in the domain of public administration. They provide the foundation for the development of the Authority's administrative structure,[18] functional teams, and staffing plans.

18 See proposed administrative structures in Report of Workshop No. 2, p. 9 and Annex XX

The core functions required to administer **long-term benefits** (i.e. death and permanent disability pensions) are outlined below:

1. Coverage and Claims Management

This function oversees the end-to-end processing of claims and ensures timely and fair access to benefits. It includes:

- Registration of workers and employers
- Compliance with BLA
- Registration and intake of claims
- Verification of employment and accident details
- Coordination with medical professionals for disability assessments and classifications
- Calculation of entitlements and pension amounts
- Case management and communication with claimants
- Review interface and documentation.

This division must be staffed with trained case officers, claims analysts, and personnel providing documentation support. Under the EIS Pilot, these functions are carried mostly by the Verification, Documentation & Correspondence Office.

2. Medical Assessment and Disability Evaluation

Although direct medical service provision is not initially required, the Authority must coordinate closely with accredited health providers to ensure:

- Standardized disability classification protocols in line with First and Third Schedules of the BLA
- Validated medical certification and documentation
- Access to specialist assessment where required
- Oversight of medical reporting quality

This function should include liaison officers and medical review staff (in-house or on contract). Under the EIS Pilot, these functions are carried out by trained DIFE and DOL officers, with the assistance of GIZ medical specialist.

3. Benefit Payment and Fund Disbursement

A dedicated financial operations unit will ensure the secure and timely disbursement of long-term benefits to eligible workers and dependants. Key responsibilities include:

- Processing of periodic pension payments
- Verification of banking details and beneficiary identity
- Reconciliation of payment records with MIS data
- Coordination with the payment agent (bank) and payment service providers
- Financial forecasting and compliance with fiduciary standards

This unit should be led by a finance officer and supported by disbursement specialists and accountants. Under the EIS Pilot, these functions are carried out by the Administration and Finance Officer.

4. Management Information System (MIS) and Data Management

A robust digital MIS is essential for tracking claims, managing case files, and ensuring transparency. Core functions include:

- Data entry and validation of claims information
- Status tracking and workflow automation
- Integration with national ID and banking systems
- Generation of reports for internal monitoring and external oversight
- Website management
- Maintenance of a secure digital archive of claims
- Interoperability with relevant national MIS/databases.

MIS staff will include database administrators, IT support, and reporting officers. Indeed, the national EIS can contribute to injury prevention by generating data on work-related injuries, informing enforcement priorities, and enabling collaboration with occupational safety and health authorities. Under the EIS Pilot, these functions are carried out by the Junior MIS Specialist, with support from MIS officers.

5. Financial Management

This function ensures that the EIS remains financially viable, able to meet its future obligations, and resilient to economic and demographic changes. Key responsibilities:

- Collection of contributions
- Fund management: capital preservation, liquidity management, rebalancing
- Compliance and Regulatory Oversight: Adherence to legal and regulatory framework, Ethical investment, Reporting and transparency
- Actuarial valuation.

Financial Management requires expertise in financial analysis, actuarial science and understanding of social insurance financing principles. Under the EIS Pilot, these functions are carried out by the Senior Adviser, with support from the ILO.

6. Legal Affairs and Policy Support

This function ensures that all claims and institutional actions comply with relevant legislation, and it provides legal support in case of disputes. Key responsibilities:

- Legal interpretation of eligibility and benefit provisions
- Drafting of policy updates and institutional guidelines
- Support for the independent review mechanism
- Handling of litigation and representation documents (if applicable)

It requires legal officers with experience in labour and social protection law. Under the EIS Pilot, these functions are provided by the ILO.

7. Communications and Stakeholder Relations

Clear communication with claimants, employers, and other stakeholders is essential. This unit will handle:

- Claimant support and case updates
- Outreach to employers and sectoral bodies
- Public information on benefits, procedures, and rights
- Coordination with workers' organizations and grievance redress

This function will be led by a communications officer, supported by helpline and outreach staff. These functions are currently carried out by the Verification, Documentation & Correspondence Officer under the EIS Pilot.

8. Internal Audit and Compliance

To ensure integrity and mitigate risks, an internal audit unit should be established to:

- Monitor compliance with SOPs and financial procedures
- Conduct routine and random audits of claims and payments
- Flag irregularities for follow-up or investigation
- Report to the EIS Governance Board and external oversight bodies

This unit should report independently to the head of the EIS Authority.

These core functions provide the operational backbone for the delivery of long-term work-related injury benefits, and will be reflected in the organizational structure and job descriptions under development. As the Scheme expands, these functions will evolve to incorporate rehabilitation, medical services, short-term benefit delivery and OSH/prevention, supported by scaled-up human and technical resources.

5.4 Independent Review and Appeal Mechanism

The EIS Scheme will establish a review and appeal mechanism to ensure transparency and uphold workers' rights. It will:

- Be independent of the claims administration
- Review disputes concerning eligibility, benefit amounts, or suspension in a swift manner
- Include two levels of review (an internal review (involving the head of the EIS Authority) and an independent appeal board established under the Ministry of Labour and Employment;
- Operate under clear procedural rules and timeframes
- Report findings and trends to the EIS Governance Board for systemic reform.[19]

This mechanism aligns with international best practices and reinforces the EIS Scheme as a fair, transparent, and accountable system.

5.5 Coordination with DIFE, DOL, OSH Authorities, and Other Agencies

Effective coordination will be maintained with public institutions to support implementation and avoid fragmentation. Based on stakeholder consultations, the following agencies are identified as essential partners:

- **Department of Labour (DOL)** – legal oversight, labour relations
- **Department of Inspection for Factories and Establishments (DIFE)** – accident investigation, OSH enforcement
- **Central Fund (CF) and Bangladesh Labour Welfare Foundation (BLWF)** – financial systems and social welfare linkage
- **Ministry of Health and Family Welfare (MoHFW)** – medical care and disability assessment
- **Bangladesh Road Transport Authority (BRTA)** – coordination on commuting accidents
- **Ministry of Women and Children Affairs (MoWCA)** and **Ministry of Social Welfare (MoSW)** – support for vulnerable groups and dependents
- **Ministry of Expatriates' Welfare and Overseas Employment (MoEWOE)** – to support inclusion of migrant workers and ensure benefit portability for those returning /remaining at home.

Furthermore, effective coordination between the EIS Scheme and national occupational safety and health (OSH) institutions is essential to ensure that compensation systems are complemented by robust prevention efforts. This includes relevant data sharing, joint analysis of injury trends, and collaboration with OSH authorities to inform enforcement and workplace safety initiatives.

These institutions will collaborate through formal protocols (MoUs), service-level agreements (SLA), joint task forces, and data-sharing mechanisms, ensuring an integrated and coordinated delivery of services under the national EIS Scheme.

19 Report of Workshop No. 2, p. 10.

6. Financial Considerations and Funding Policy

The financial considerations and funding policy of the EIS must ensure long-term durability, equity, and efficiency. They build upon the experience and financial governance developed under the EIS Pilot, supported by detailed, actuarial assessments, and benefit calculation protocols aligned with ILO Convention No. 121.

6.1 Rationale and Objectives of Financing EIS

The EIS financing framework envisions a sustainable and equitable system that provides comprehensive protection for all workers in Bangladesh against work-related injuries. Its design is grounded on the principles of collective financing and risk pooling, ensuring that the financial consequences of work-related injuries, disabilities, or income loss are shared fairly and predictably between employers and workers.

Through a well-structured contribution mechanism, supported by strong governance and transparent fund management, the EIS aims to guarantee long-term financial sustainability while promoting social solidarity.

By stabilizing household incomes and maintaining economic activity during periods of temporary or permanent disability or death of the breadwinner, the EIS functions as an automatic stabilizer, contributing to national economic resilience and social cohesion. This vision aligns with Bangladesh's broader commitment to inclusive growth and decent work, ensuring that no worker is left unprotected from work-related risks.

6.2 Contribution Principles and Methods (PAYG vs Terminal Funding)

The preferred approach for the national EIS is a mixed funding model, combining Pay-As-You-Go (PAYG) for short-term benefits (medical and allied care and temporary disability) and full funding for long-term benefits (e.g. permanent disability and survivors' pensions). PAYG allows flexibility in financing short-term benefits by matching annual contributions to expected expenditures, while terminal funding (a variant of full funding) ensures financial security for long-term obligations by accumulating reserves to cover future payouts. This aligns with global practices and ensures intergenerational equity and benefit security. By pooling risks across employers and maintaining adequate actuarial reserves, such systems not only protect workers but also enhance economic stability and productivity.

6.3 Financial Oversight and Governance

The EIS Pilot's financial governance should serve as the basis for the national EIS's financial governance. Lessons from the EIS Pilot demonstrate that its financial governance relies on three key pillars: integrity, accountability, and transparency.[20] In line with the EIS GB Rules, the Pilot operates through a separate bank account, ensuring complete traceability, auditing and

20 See EIS Pilot Governance Rules, in particular Chapter IV – Rules 15 to 22, Annex XXX.

proper documentation of all transactions. The EIS-PSU prepares an annual EIS Pilot budget for discussion and approval by the EIS Governance Board. The EIS-PSU also produces quarterly business oversight reports and an annual financial statement, including an audit report, which are reviewed and approved by the EIS Governance Board. The approved EIS annual financial statement is then shared simultaneously with relevant stakeholder groups, the social partners and the MoLE. An electronic version of the financial statement is also made publicly available.

6.4 Actuarial Valuation and Cost Estimates of Long-term Benefits

In accordance with the EIS Pilot financial governance rules, an actuarial valuation of the EIS Pilot is conducted annually as of 30 June.[21] The second and most recent valuation was carried out as of 30 June 2025. The actuarial valuation report for that date shows a surplus of BDT 172,105,000.00, indicating that the reserved assets exceed the accrued liabilities by this amount. The accrued liabilities are based on several demographic and economic actuarial assumptions, such as:

Demographic assumptions

- Mortality rates: United Nations' World Population Prospects, 2024 Revision
- Mortality rates of permanently disabled pensioners are adjusted to reduce their life expectancy
- Marriage rates for female orphans:

Age	0-15	16	17	18	19	20-24
Rate (%)	0%	5%	10%	35%	55%	30%
Age	25-29	30-34	35-39	40-44	45-49	50+
Rate (%)	25%	20%	15%	10%	5%	0%

- Remarriage rates for widows: 25% of marriage rates for female orphans
- Economic assumptions (applicable from 2031)
- Inflation: 5.5%
- Discount rate: 7.6%
- Indexation of pensions: 5.5%

In the exported RMG sector, based on the accidents incurred between 22 June 2022 and 30 June 2025, the cost for long-term benefits (LTBs) is estimated at 0.042% of insurable wages if commuting accidents are included, and 0.014% if excluded, which translates to BDT 86 and BDT 29 per worker per year, respectively, based on a reference wage of BDT 17,000/month. It must be noted, however, that these costs exclude occupational diseases that are not yet diagnosed and a likely underreporting of partial permanent disability cases resulting from commuting accidents.

Furthermore, avoiding benefit duplication should be a priority of the national EIS, specifically ensuring that employer obligations under the BLA and contributions to the CF or BLWF do not overlap with EIS benefits.

21 EIS Governance Board Rules, Rule 22.

For the national EIS and based on the EIS Pilot's practice and experience, annual actuarial valuations shall be conducted and include the financial needs for the next financial year, expressed as a percentage of insurable wages.

6.5 Industry Risk Rating and Sectoral Differentiation

To ensure equity and incentivize workplace safety, the national Scheme is expected to apply sector-differentiated contribution rates into a unique national EIS. The EIS Pilot and stakeholder consultations considered four models:

1. Uniform rate (simple but not risk-based)
2. Differentiated rates by sector based on ISIC codes
3. Experience rating, adjusted by individual employer claim history
4. Mixed model, combining the above approaches

The preferred path is differentiated rates by sector, based on International Standard Industrial Classification of All Economic Activities (ISIC) codes.

6.6 Funding, Investment, and Benefit Policies

Long-term sustainability requires the creation of reserves, especially for long-term benefits. The Scheme will adopt a formal funding policy and investment policy, as recommended by ILO-ISSA actuarial standards.

The funding policy will define the Scheme's funding objectives, outline key risks and volatility factors, and set out mechanisms for managing deficits and surpluses over time. The funding policy also serves as an actuarial guide for selecting valuation methods and assumptions, ensuring that contribution rates remain stable and benefits remain adequate and affordable.

The investment policy will govern how funds are managed and invested to achieve the Scheme's long-term objectives while maintaining prudent risk management. It establishes rules for governance, strategic asset allocation, risk tolerance, monitoring, performance evaluation, and ethical standards. Importantly, the investment strategy will need to align with the funding and benefit policies. The EIS Governance Board should formally approve and periodically review both the funding and investment policies, ensuring their alignment with legal and financial frameworks.

The benefit policy will be defined by law and substantive commitments, setting the level of compensation and the adequacy of benefits provided to beneficiaries. While funding and investment policies can be adjusted based on actuarial or financial factors, the benefit policy will establish the legal entitlements and guarantees—such as pension levels, indexation, or compensation rates—that the national EIS will uphold.


CRITICAL OPERATION
CRITICAL OPERATION

PART B – THE LEGISLATIVE AND INSTITUTIONAL FRAMEWORK OF THE NATIONAL EIS

7. Structure and Indicative Content of the Legal Instrument

This legal framework outlines the structure and key content for a proposed Employment Injury Insurance Act (EIIA) in Bangladesh. It establishes a comprehensive, contributory, no-fault insurance Scheme to protect workers against income loss, medical and allied costs, and long-term disability resulting from work-related injuries or diseases. The framework ensures legal clarity, financial sustainability, administrative feasibility, and alignment with international standards (e.g. ILO Convention No. 121).

The EIIA shall be developed with due regard to the recent November 2025 amendment to the BLA and to any other provisions of national law that are relevant to the effective implementation of the Scheme. The legal instrument shall therefore be drafted to ensure consistency with the BLA, avoid duplication, and enable coordinated enforcement and administration across the national labour and social security systems.

This legal instrument may be enacted as a standalone law or incorporated as a distinct chapter within broader social security legislation, depending on the preferences of Bangladesh's stakeholders. However, the choice should be guided by practical considerations to ensure that unnecessary delays do not impede the effective implementation of the national EIS.

The content of the EIIA is based on work undertaken by national stakeholders since 2015. This includes the 2019 Feasibility Study, the 2022 General Framework, the practical experience of the EIS Pilot, the ILO Guidance Note (May 2025), the reports of the three technical workshops held in 2025 covering all components of a national EIS, and summaries of the high-level discussions held in Geneva.

7.1 Objective, Definitions and Scope

Objective:

The objective of the EIIA is to provide statutory protection and ensure fair and timely compensation for workers and their families in cases of work-related injuries (accident or diseases) resulting in permanent disability or death. It aims to ensure access to adequate medical and allied care, along with short-term income replacement to support workers during periods of temporary incapacity.[22] The law further seeks to facilitate access to comprehensive rehabilitation services and return-to-work programmes that restore the earning capacity, health, and social participation

22 This would include emergency treatment, hospitalization, physiotherapy, occupational therapy, and other forms of ongoing medical support necessary for recovery and rehabilitation

of affected workers. In addition, it is designed to minimize disputes and litigation by replacing the traditional employer liability system with a no-fault, collectively financed risk-pooling mechanism that ensures equitable and predictable protection for all covered workers.

Definitions:

The EIIA shall include a dedicated Definitions section that clearly articulates and harmonizes all key terms with the definitions found in the BLA and tested under the EIS Pilot. For legal clarity and consistent interpretation, the following terms shall be expressly defined (if not yet found or different from BLA): *Accident, Beneficiary, Cash and In-kind Benefits, Contribution Rate, Dependent, Disability (Temporary and Permanent), Injury, Insured Person, Minister, Ministry, Occupational Disease, Serious and Wilful Misconduct, Wages, and Work-related Injury.*[23]

The term *Insurable Earnings* shall also be specifically defined within the EIIA, including the establishment of a minimum threshold and a maximum ceiling, in accordance with standards set under the EIS Pilot framework.[24]

Scope:

The EIIA shall provide a mandatory, progressively expanding framework for the coverage of all workers employed across Bangladesh's economic sectors, including industry, agriculture, and services. This framework shall permit the phased extension of benefits and inclusion of additional categories of workers, with due consideration to sector-specific conditions, administrative readiness, and fiscal sustainability.

The extension of coverage shall be implemented in accordance with a timeline adopted by the EIS Governance Board. Any such extension of coverage shall take effect only upon notification by the Government in the official Gazette, pursuant to a specific recommendation of the EIS Governance Board.

Applies to:

The coverage of the EIIA shall extend to:

a. **Injuries arising out of or in the course of work**, whether on or off the employer's premises;
b. **On-duty road traffic accidents**, while the worker is using transport provided by the employer; and
c. **Commuting accidents**, subject to specific conditions.

The inclusion of commuting accidents not involving employer-provided transport shall require a specific decision by the Government, upon the recommendation of the EIS Governance Board. Such inclusion may be permitted on an optional basis, subject to the criteria and procedures to be prescribed by regulation.

7.2 Rights and Entitlements of Workers

23 For further details, see Annex XXX.

24 Under the EIS Pilot practice and pursuant to a decision taken by the Pilot's Governance Board at its 11th meeting held on 14 May 2025, the insurable earning's ceiling was established at BDT 50,000.

General Principle:

Workers shall be entitled to cash and in-kind benefits under the EIIA in the event of work-related injuries, including both accidents arising out of and in the course of work, and occupational diseases.

Specific Entitlements:

1. Medical and Allied Care Benefits (phased implementation)

Workers shall be entitled to receive, free of charge, medical and allied care in accordance with the standards set out in ILO Convention No. 121, to the extent made available under national legislation, infrastructure, and institutional capacity.

This shall include: general medical consultations, diagnostics, surgery, hospitalization, nursing care, dental care and pharmaceutical supplies, subject to the availability and clinical prescriptions.

Care shall be provided through enlisted hospitals and rehabilitation centres, and designated government health facilities, as determined by the EIS Authority.

2. Temporary Disability Benefits (phased implementation)

Workers shall be entitled to wage replacement during their period of incapacity in line with BLA and C. 121.

3. Permanent Disability Benefits (injury and occupational disease)

Workers shall be entitled to compensation based on the assessed level of permanent disability. This assessment shall be made by competent DIFE/DOL doctors based on First Schedule of the BLA.

Permanent disability: 60% [X] % of disability [X] insurable earnings

Workers shall be entitled to additional allowances for constant attendance or severe disability. The constant attendance allowance is intended to compensate for the additional costs incurred due to the need for permanent personal care or supervision. A limit can be established (for example, 30% of the full amount of disability compensation), subject to periodic review to adjust to the cost of living.

4. Death Benefits

Workers shall be entitled to a lump sum funeral grant in line with BLA provision.[25]

Based on the EIS Pilot practice, eligible dependants of a deceased insured person — including the widow or widower, children, dependent parents (mother and father), and other dependent parents — are entitled to a survivors' pension amounting in total to between 40% and 60% of the deceased's insurable earnings, depending on the number and categories of beneficiaries. The distribution of this total amount among the eligible dependants will follow the apportionment rules tested under the EIS Pilot, as detailed in the attached Annex [X]. In line with the EIS Pilot, if

25 BLA, Section 19.

the widow/er ceases to be eligible (due to death or remarriage), the children are then eligible to receive the full orphans' benefit, amounting to between 40% and 50% of the insurable earnings.

It is proposed to extend this automatic redistribution mechanism to include dependent parents (mother and father) in some instances. Specifically, if within two years of the entitlement start date, the entire group of primary dependants (widow/er and children) seizes to qualify for benefits due to death, remarriage, or reaching age limits, the share previously allocated to them shall be automatically transferred to the surviving dependent parents, provided they meet the eligibility criteria.

This ensures that dependent parents, who may have initially received only a minimal share, can receive a more meaningful level of compensation if the primary dependants cease to qualify shortly after the benefit begins. In all other cases, decisions on redistribution will be made by the EIS Authority on a case-by-case basis, in accordance with the principle of fairness.

5. Rehabilitation and Reintegration (phased implementation)

In line with ILO Convention No. 121 and subject to national capacity and phased implementation plans, workers shall progressively gain access to rehabilitation services aimed at restoring physical, mental, and economic independence. The provision, coordination, and monitoring of these services shall be subject to the supervision and authorization of the EIS Authority.

Services may include medical, psychological, social, and vocational rehabilitation, as well as assistive devices, based on clinical needs and availability.

Measures shall also be introduced to support reintegration into the workforce, including employer incentives for re-employment.

6. Payment of Lump Sums

Exceptionally and in line with the EIS Pilot, when the amount is small, and the payment of a lump sum fits the personal circumstances of the beneficiary, and the interests of his/her dependents.[26]

7. Indexation – Adjustment to the cost of living

The rates of periodical payments in course of payment shall be adjusted by the EIS Governance Board following substantial changes in the general level of earnings or in the cost of living.[27]

8. Portability of Benefits and Protection for Migrant Workers

The Scheme shall ensure that all benefits due to migrant workers or their dependents remain fully payable and portable, regardless of their country of residence.

The EIS Authority may:

a. Pay benefits abroad, including to dependents of deceased workers residing outside the country;
b. Coordinate with embassies, consulates, and secure payment channels to process and disburse such claims;

26 EIS Pilot's practice and ILO C. 121, Art. 18(3); C. 102, Art. 65.

27 ILO C. 121, Art. 21(1) ; C. 102, Art. 65(10).

c. Accept remote or digital documentation, including life certificates and succession records.

The Government may enter into agreements with foreign states to:

a. Facilitate recognition and payment of benefits across borders;
b. Enable information-sharing and administrative coordination between schemes; and
c. Ensure continuity of coverage and proportional payment where workers have contributed in multiple jurisdictions.

The EIS Authority shall adopt procedures to give effect to such agreements and ensure that non-residency or foreign nationality shall not bar a valid claim.

9. Benefit Duration and Suspension

In the absence of existing practice under the EIS Pilot, and in line with international standards, the national EIS will follow the following principles regarding the suspension of benefits:

a) As long as the person concerned is absent from the territory of Bangladesh;[28]

b) While the person concerned is being maintained at public expense or at the expense of a social security institution or service;

c) Where the person concerned has made a fraudulent claim;

d) Where the injury resulted from a criminal offence committed by the person concerned;

e) Where the injury was caused by voluntary intoxication or by serious and wilful misconduct of the person concerned;

f) Where the person, without good cause, neglects to use medical or rehabilitation services made available, or fails to comply with rules for verifying the occurrence or continuation of the incapacity;

g) As long as a surviving spouse is living with another person as a spouse.

These conditions will be further elaborated in the implementing law and regulations of the national EIS, ensuring due process and the right of review/appeal for all beneficiaries.

28 This does not apply to a national of Bangladesh moving permanently to another country with which there is a reciprocal social security agreement.

7.3 Employer Duties and Contribution Obligations

Duties:

Every employer to whom the EIIA applies shall comply with the following duties and obligations in respect of the national EIS:

1. Registration:

Each employer shall register with the EIS within the prescribed time and manner, and shall ensure the timely registration of all eligible workers.

2. Record-keeping:

Employers shall maintain accurate and up-to-date records relating to wages, periods of employment, and workplace accidents, in such form and detail as may be prescribed by regulation.

3. Cooperation and Compliance:

Employers shall fully cooperate with the EIS Authority in connection with any inspection, audit, or investigation undertaken for the purposes of the EIIA, and shall submit all required reports, statements, or returns within the prescribed time limits.

4. Accuracy and Good Faith:

All information provided to the EIS Authority shall be complete, accurate, and furnished in good faith. Any concealment, misrepresentation, or failure to comply with these obligations shall constitute a violation of the EIIA and may result in penalties as prescribed.

5. Support During the Claims Process:

Employers shall actively support and cooperate in the claims process from initiation to resolution. This includes promptly notifying the EIS Authority of any employment injury, assisting the injured workers in filing their claims, providing necessary documentation, and facilitating communication between the workers and the EIS Authority. Employers are expected to act in good faith and in a spirit of collaboration to ensure timely and fair claims resolution.

Contribution Obligations :

1. General Obligation

Every employer to whom the EIIA applies shall be liable to pay contributions to the EIS in respect of each worker covered under the EIIA, in the form, manner, and frequency as may be prescribed.

2. Contribution Bases

Contributions under the EIIA shall, as a general rule, be calculated on a *wage-based* contribution system, whereby employers contribute to a prescribed percentage of total payroll.

To ensure the effective and sustainable financing of the EIS Scheme, and to account for sectoral diversity and different risk profiles, the Government may, on the recommendation of the EIS

Governance Board, prescribe alternative or supplementary bases for specific sectors or categories of employers. Such methods may include, but are not limited to—

a. a percentage of the total value of orders or contracts;
b. a percentage of annual revenues;
c. a percentage of the certified value of a building, infrastructure, or other project;
d. a flat rate per worker or per enterprise; or
e. such other method as the Government may prescribe by notification in the official Gazette.

3. Determination of Rates

The specific contribution base and corresponding rate applicable to each sector shall be—

a. prescribed by rules or schedules issued under the EIIA;
b. determined through actuarial valuation and consultation with representative employer and worker organizations; and
c. periodically reviewed and revised by the EIS Governance Board to ensure financial sustainability, fairness, and adequacy.

The Government, under the recommendation of the EIS Governance Board, may prescribe minimum and maximum contribution rates to promote equity and financial stability within the Scheme.

4. Insurable Earnings Ceiling

For the purpose of calculating contributions and benefits, insurable earnings shall be subject to a ceiling to be determined by the EIS Governance Board, which may periodically review and adjust the ceiling to reflect wage growth and cost-of-living changes.

5. Prohibition on Wage Deductions

Contributions payable under the EIIA shall constitute the sole responsibility of the employer. No. employer shall directly or indirectly deduct, recover, or otherwise withhold any part of such contribution from the wages of any worker.

6. Payment and Remittance

Employers shall remit the prescribed contributions to the EIS Fund within the time and manner specified by regulation. Failure to remit such contributions within the stipulated period shall constitute a violation of the EIIA and may attract surcharges, interest, or penalties as prescribed.

7. Adjustment and Verification

The EIS Authority may require employers to submit supporting records or documentation for verification of the contribution base, and may order adjustments following inspection, audit, or actuarial review.

7.4 Institutional Mandate, Powers and Responsibilities

Employment Injury Insurance Governance Board (EIS Governance Board):

1. Establishment

There shall be established, for the purposes of the EIIA, a statutory body to be known as the EIS Governance Board (hereinafter referred to as "the Governance Board"), which shall be responsible for the general oversight, policy direction, and governance of the EIS.

2. Composition and Governance

The Governance Board shall consist of about **fifteen (15) members**, appointed by the Government, reflecting a **tripartite composition** and relevant technical expertise, as follows—

a. six (6) representatives of the Government;
b. four (4) representatives of employers' organizations;
c. four (4) representatives of workers' organizations;
d. together with such number of independent technical experts as may be prescribed, including professionals in the fields of actuarial science, finance, medicine, and law.

The **Chairperson of the Governance Board** shall be the Secretary of the Ministry of Labour and Employment.

The **Director General** of the EIS Authority shall serve as the **Secretary to the EIS Governance Board** and be present at its meetings. The Director General shall be responsible for the implementation of the Governance Board's decisions and resolutions.

All members of the Governance Board shall be individuals of recognized integrity, competence, and experience relevant to the administration of social insurance and shall meet the fit and proper criteria prescribed by regulation.

3. Meetings and Procedures

Based on the EIS Pilot practice, the Governance Board shall meet at least three times per year, or more frequently as may be necessary for the efficient discharge of its functions.

The quorum, voting procedures, and other matters relating to the conduct of business shall be prescribed by regulation.

4. Mandate

The Governance Board shall serve as the principal governing body responsible for the strategic direction, financial stewardship, and overall governance of the EIS Scheme. In this capacity, it shall among others:

e. provide strategic oversight to ensure the effective, transparent, and sustainable operation of the EIS;
f. adopt policies and standards to ensure the integrity, efficiency, and effective administration of the Scheme's operation, including in the areas of accounting, human resources, and information technology;
g. safeguard the long-term financial integrity of the EIS fund;

h. provide high-level policies to support the sound administration and continuous development of the EIS Scheme.
i. recommend legislative or regulatory proposals to the Government to strengthen the legal and institutional framework governing employment injury protection.

5. Core Responsibilities

In carrying out its mandate, the Governance Board shall have the following powers and responsibilities among others:

a. To recommend, based on actuarial valuation and consultation, the contribution rates and benefit levels applicable under the EIIA;
b. To adopt and recommend to the Government's strict timebound schedule for the phased extension of coverage to additional economic sectors and categories of workers, taking into account actuarial, fiscal, administrative, and sector-specific considerations;
c. To oversee the financial management of the EIS fund, including the monitoring of the investment and funding policies, budgeting, and audited financial reporting;
d. To monitor the actuarial soundness of the Scheme, including claim trends, risk experience, and long-term sustainability;
e. To advise the Government on policy, regulatory, or operational measures necessary for the efficient functioning of the Scheme;
f. To perform such other functions as may be assigned to it under the EIIA or prescribed by regulations.

6. Accountability and Reporting

The Governance Board shall cause to be prepared an annual report on the administration, financial performance, and actuarial condition of the EIS, which shall be submitted to the Government and laid before Parliament.

The accounts of the EIS Scheme shall be audited annually by the Comptroller and Auditor General or by an auditor appointed in accordance with public sector financial regulations.

Operational EIS Authority:

Establishment and Legal Status

An Authority to be known as the EIS Authority (hereinafter referred to as "the EIS Authority") shall be established. It shall be a body corporate with perpetual succession and a common seal, capable of:

a. Acquiring, holding, and disposing of movable and immovable property;
b. Entering into contracts;
c. Suing and being sued in its own name; and
d. Doing or performing all such other acts or things as may be necessary or incidental to the exercise of its functions under the EIIA.

While the EIS Authority shall have legal personality and administrative independence in performing its functions, it shall remain subject to the strategic oversight, governance, and policy guidance of the Governance Board. In the event of any conflict between the EIS Authority and the Governance Board regarding the interpretation or implementation of the law, the decision of the Governance Board shall prevail, subject to any applicable appeal or review mechanisms.

2. Functions

The EIS Authority shall be responsible for the overall administration, regulation, and enforcement of the EIS. The functions of the EIS Authority shall include but not limited to:

a. Registration of employers and insured persons under the Scheme;
b. Receipt, examination, and determination of claims for work-related injury benefits;
c. Collection of contributions from employers in accordance with related regulations;
d. Disbursement of benefits to eligible beneficiaries in accordance with the EIIA and any regulations made thereunder;
e. Investigation of workplaces and incidents for the purpose of enforcing compliance with the EIIA;
f. Preparation of draft policy recommendations, operational guidelines, and investment strategies for review and adoption by the Governance Board;
g. Collection, maintenance, and dissemination of statistics and information relating to work-related injuries and benefits;
h. Preparation and submission of annual reports and financial statements to the Government;
i. Conducting of awareness-raising, training, and information dissemination for employers, workers, and stakeholders regarding their rights and obligations under the Scheme, and;
j. Any other function necessary for the effective administration of the Scheme.

In the discharge of its functions, the EIS Authority shall act in consultation with the Ministry responsible for labour and employment, and shall coordinate with relevant agencies including national social security institutions and the national health or insurance bodies, in alignment with the National Social Security Strategy (NSSS).

In fulfilling its mandate and based on the EIS Pilot practice, the EIS Authority shall:

a. Ensure that victims of employment injuries and their dependents have accessible and timely access to services, including claim filing, case status updates, and benefit payments;
b. Establish dedicated service desks, grievance mechanisms, and digital portals to support claimants and improve transparency;
c. Provide counselling, information, and outreach services to support injured workers and their families during the claims and recovery process; and
d. Take all reasonable steps to protect the rights, dignity, and welfare of victims of work-related injuries and ensure non-discrimination in the treatment of claims.

3. Cost Recovery and Financial Provisions

The EIS Authority shall have the power to recover, from any third party responsible for causing or contributing to a work-related injury, the cost of any benefits paid under the EIIA to the injured person or their dependants.

4. Management

The EIS Authority shall be headed by a Director-General, who shall be appointed by the Governance Board from a shortlist of three (3) qualified persons submitted in accordance with procedures prescribed by regulation.

A person shall be eligible for appointment as Director-General if he or she:

a. Is of high moral character and integrity;
b. Possesses not less than ten (10) years' experience in one or more of the following fields: labour relations, social security, insurance, or workers' compensation; and
c. Meets such other qualifications as may be prescribed.

The Director-General shall:

a. Be the Chief Executive Officer of the EIS Authority;
b. Be responsible for the day-to-day administration of the EIS Authority and the implementation of the EIS;
c. Supervise the staff and operations of the EIS Authority;
d. Ensure compliance with all provisions of this Act and any regulations or directives issued thereunder; and
e. Perform such other duties as may be assigned by the Governance Board or prescribed by regulation.

Employment Injury Insurance Fund (EIIF):

1. Establishment of the EIS Fund

As per Section 151A of the revised BLA, a dedicated public fund to be known as the Employment Injury Scheme Fund (hereinafter referred to as "the EIS Fund") shall be established. It shall serve the purposes of receiving, managing, and disbursing benefits in accordance with the provisions of the EIIA.

2. Composition of the EIS Fund

The EIS Fund shall consist of the following:

a. All contributions paid by employers pursuant to the EIIA or any regulations;
b. Any other sums or levies payable by employers in accordance with the EIIA;
c. Any penalties or fines imposed under the EIIA;
d. All interest, income, or dividends arising from investment of the Fund;
e. Any subventions, grants, or transfers received from the Government, in particular to support the administrative and operational expenses of the EIS; and
f. Any other funds, including private, lawfully accruing to the EIS Fund or otherwise received by the Authority for the purposes of the Scheme.

3. Application of the EIS Fund

The EIS Fund shall be applied exclusively for the purposes of:

a. Payment of work-related injury benefits and compensation as prescribed under the EIIA;
b. Covering the administrative and operational costs of the Scheme, including expenses related to inspections, claims processing, and outreach;
c. Development, maintenance, and upgrading of systems and infrastructure required for the effective administration of the Scheme; and
d. Any other purpose incidental to the implementation of the EIIA and as may be prescribed by regulation.

4. Investment of Surplus

Any surplus funds not immediately required for the payment of benefits and administrative costs of the Scheme shall be invested:

a. In secure, diversified financial instruments in accordance with an Investment Policy approved by the Governance Board;
b. With due regard to the need for capital preservation, liquidity, and reasonable return on investment;
c. In accordance with any applicable public finance management laws and relevant national investment guidelines.

5. Financial and Governance Management

The EIS Fund shall be subject to:

a. Annual independent audits in accordance with applicable national public finance standards;
b. Oversight by the EIS Governance Board; and
c. Reporting obligations to the Minister and the public, including the publication of annual financial statements and performance reports.
d. The Authority shall carry out an actuarial valuation of the EIS Fund annually.
e. Each actuarial valuation shall assess:
f. The financial position of the EIS Fund as of the date of the actuarial valuation;
g. The required financial needs for the year following the actuarial valuation and the contribution rates necessary to cover these financial needs; and
h. Recommendations for any necessary adjustments to ensure solvency and sustainability.

7.5 Claims Process

1. Notification of Work-related Injury and Disease

A worker who sustains a work-related injury or is diagnosed with an occupational disease shall notify the employer as soon as practicable, and in any event within **three (3) days** of the incident or diagnosis, unless prevented by incapacity or other reasonable cause.

In the event of the death of a worker due to a work-related accident or occupational disease, the employer shall notify the EIS Authority as soon as reasonably practicable, and in any case within **seven (7) days** of becoming aware of the death.

If the employer fails to notify the EIS Authority within the prescribed time, the diseased worker's dependents or any other interested party may submit the notification directly to the EIS Authority within one month of becoming aware of the death.

In the case of a non-fatal injury, the employer shall notify the EIS Authority within **seven (7) days** of becoming aware of the accident or diagnosis. In case of occupational disease where symptoms emerge gradually, the time limit shall be calculated from the date of diagnosis or from the date the employer could reasonably have known the condition.

2. Claims Submission:

Claims for compensation or benefits shall be filed with the EIS Authority:

a. Within **sixty (60) days** from the date of injury or death, or diagnosis of occupational disease;
b. Provided that the EIS Authority may accept claims beyond this period upon a showing of just cause.

Claims may be submitted:

a. In person to any designated office of the Authority; or
b. Through the EIS digital portal established for this purpose.

As per the EIS Pilot's practice, a claim shall be made in the prescribed form and be accompanied by:

a. An injury, death or disease report;
b. A medical certificate issued by a registered medical practitioner;
c. The local government succession certificate, for death cases;
d. An employment verification certificate; and
e. Any other documents as may be prescribed by the EIS Authority, including salary and attendance records, proof of identity, and, where applicable, police reports or hospital records.

All claimants may be required to submit to a medical examination by a practitioner or board designated by the Authority. Refusal without reasonable cause may result in denial or suspension of the claim.

3. Assessment and Determination of Claims:

Upon receipt of a complete claim file, the Authority shall:

a. Assign the claim to a designated Case/Claims Officer;
b. Conduct verification of documentation and facts through field officers or MIS officers, including accident verification, employment confirmation, and beneficiary identity.

The Case/Claims Officer shall:

a. Assess the validity of the claim and determine whether it falls within the scope of the Scheme;
b. Determine the type of benefit applicable (e.g., temporary disability, permanent disability, death benefit, medical reimbursement);
c. Calculate the benefit level based on wage data and legal entitlements.

In cases involving long-term disability or occupational disease, and based on the practice of the EIS Pilot, the EIS Authority shall ensure that the medical assessment is conducted by a minimum of two DIFE and/or DOL authorized medical practitioners. These medical practitioners shall be responsible for:

a. Confirming the occupational disease diagnosis (based on the Third Schedule of BLA), by establishing causality between the disease and the worker's occupation, where applicable;
b. Determining the percentage of disability, in accordance with the First Schedule of the BLA;
c. Assessing the likelihood of recovery or prognosis.

The findings of the medical practitioners shall be:

a. Formally recorded and included in the claim file; and
b. Binding on the Claims Officer for the purpose of benefit determination, unless manifest error or procedural irregularity is established.

4. Decision and Notification

The EIS Authority shall issue a reasoned decision on each claim within a reasonable time frame, not exceeding **thirty (30) working days** from the date of complete submission, unless extended for justified reasons.

The decision shall include:

a. The benefit type, amount, and duration;
b. The medical findings (where applicable); and
c. The right to appeal or seek review.

Decisions shall be communicated in writing and, where possible, digitally via the EIS portal and SMS or email notification.

No. claim shall be admissible after **two (2) years** from the date of injury, death, or diagnosis of occupational disease, unless the delay is justified by incapacity, lack of awareness, or other valid grounds.

The limitation period shall be suspended where an employer fails to notify the EIS Authority as required.

7.6 Review and Appeal:

1. Right to Request Internal Review

Any claimant or employer aggrieved by a decision of the EIS Authority may, within **thirty (30) days** of receiving written notice of the decision, submit a request for review to the Director General of the EIS Authority, stating the grounds for reconsideration.

2. Internal Review Process

The Director General of the EIS Authority (or his/her representative) shall review the case file, supporting documents, and any additional submissions, and may:

a. Uphold, vary, or reverse the initial decision;
b. Refer the case for further assessment;
c. Request clarification or correction of medical or factual findings.

A written outcome of the internal review shall be issued within **thirty (30) days** of receipt of the request.

3. Appeal to the EIS Appeal Board

Where a party remains dissatisfied with the outcome of the internal review, they may lodge an appeal to the "Appeal Board" established under the Ministry of Labour and Employment within **thirty (30) days** of notification of the Director General's decision.

The Appeal Board shall be responsible for hearing and determining appeals from decisions of the Director General of the EIS following internal review.

The Appeal Board shall determine appeals in a manner that is informal, expeditious, and fair, and shall not be bound by strict rules of evidence or procedure.

The Appeal Board shall have the power to confirm, vary, or reverse the decision of the EIS Authority, or to remit the matter for further investigation or assessment.

The composition, quorum, and procedural rules of the Appeal Board shall be prescribed by regulation, ensuring representation at a high level of the Government, medical and legal expertise, and social partners.

All review and appeal outcomes shall be documented and reported to the EIS Governance Board for monitoring and policy feedback.

7.7 Offences, Penalties and Enforcement Mechanisms

1. Employer Offences:

An employer commits an offence under the EIIA if they:

a. Fail to register themselves or any of their workers with the EIS Authority within the period prescribed under the EIIA or the regulations;
b. Fail to remit contributions to the EIS fund as required by the EIIA, whether by omission, delay, or underpayment;
c. Knowingly provide false or misleading information relating to wages, employment status, contribution obligations, or any other material fact required for the administration of the Scheme;
d. Forge, falsify, or manipulate documents submitted in relation to employee registration, wage records, accident notifications, or benefit calculations;
e. Fail to notify the EIS Authority of a work-related accident or occupational disease as required under the EIIA;

f. Obstruct, hinder, or refuse to cooperate with any duly appointed inspector, Claims Officer, or authorised officer of the EIS Authority in the performance of their functions, including by denying access to premises, records, or personnel.

An employer who commits the abovementioned offence shall, on conviction:

a. Be liable to a fine not exceeding [insert appropriate amount or range], or imprisonment for a term not exceeding [insert, e.g., number of months], or both;
b. In the case of continuing offences (e.g., failure to remit contributions), be liable to an additional daily fine not exceeding [insert amount] per day for each day the offence continues after conviction;
c. Be subject to civil recovery measures, including surcharge, interest on unpaid contributions, and recovery proceedings in accordance with applicable law.

Where the offence is committed by a body corporate, partnership, or association, every director, partner, manager, secretary, or officer who consented to, connived in, or failed to prevent the commission of the offence shall be deemed to have committed the offence and may be prosecuted and punished accordingly.

2. Worker Offences:

A worker, dependant, or any other claimant commits an offence under the EIIA if that person:

a. Knowingly makes or assists in making a false or fraudulent claim for any benefit or payment under the EIIA, or knowingly makes use of any forged or falsified document for such purpose;
b. Wilfully misrepresents or conceals any material fact relating to the occurrence or cause of an injury, disease, or death for the purpose of obtaining or assisting another person to obtain any benefit to which they are not lawfully entitled;
c. Colludes with an employer, officer, or any other person to obtain, increase, or withhold a benefit, contribution, or payment under false pretences;
d. Forges, alters, or unlawfully uses any document issued under the EIIA, including medical certificates, employment verification forms, or benefit approval notices;
e. Fails without reasonable cause to notify the employer or the EIS Authority of the occurrence of a work-related accident or occupational disease as required by the EIIA.

Any person who commits an abovementioned offence shall, on conviction:

a. Be liable to a fine not exceeding [insert amount], or to imprisonment for a term not exceeding [insert, e.g., number of months], or both; and
b. Be required to repay in full any benefits or payments unlawfully received, together with applicable interest, and may be subject to disqualification from receiving further benefits for a period not exceeding two (2) years, as determined by the Authority.

Where it appears to the EIS Authority that a claim was submitted fraudulently or by misrepresentation, the EIS Authority may:

a. Suspend payment of any pending benefit;
b. Recover, through administrative or judicial means, any benefit or sum paid in error or obtained by fraud; and
c. Refer the matter for criminal prosecution.

Any person who knowingly aids, abets, counsels, or procures another person to commit an offence under this section shall be deemed to have committed the same offence and shall be liable to the same penalty.

7.8 Investigations and Compliance

The EIS Authority shall appoint suitably qualified officers to serve as **EIS Investigation Officers**, who shall be empowered to monitor compliance with the provisions of the EIIA and the regulations made thereunder.

For the purpose of carrying out any investigation under the EIIA, an EIS Investigation Officer may, at any reasonable time and upon presentation of official identification:

a. Enter and inspect any workplace, office, or premises where the EIS Authority reasonably believes persons are employed or where employment-related records are kept;
b. Require the production of any document, register, wage sheet, contract, attendance record, accident register, insurance document, or other employment- or injury-related record;
c. Examine, copy, take extracts from, or seize any document or record which the Investigator believes may be relevant to any matter under investigation;
d. Summon and question any employer, worker, manager, accountant, or other person who may have relevant knowledge of a suspected offence or failure to comply;
e. Where reasonable grounds exist to believe an offence has been committed, temporarily seal or secure any premises or documents, or recommend suspension of a factory license, work permit, or trade certificate pending compliance, subject to applicable procedures.

In carrying out investigations, EIS Investigators shall have the same powers as labour inspectors under the BLA, provided they act within the scope of the EIIA.

7.9 Transition and Extension Provisions

The implementation of the EIIA shall follow a **phased and progressive approach**, as determined by the EIS Governance Board, taking into account available administrative capacity, actuarial assessments, financial sustainability, and stakeholder consultation.

The timing, sectoral coverage, and benefit scope of each implementation phase shall be a decision of the Government, on the recommendation of the EIS Governance Board, published in the official Gazette or through other prescribed means. Such decisions shall have legal effect as if enacted under the EIIA.

Phase 1 – Initial Rollout

During this phase, the EIS Scheme shall provide the following long-term benefits to eligible beneficiaries:

- **Periodic pensions** for permanent disability or death; and
- **Funeral grants** or other death-related benefits.

During this period, the EIS should be immediately applicable to [list sectors to which EIS will be effective at the outset]

Phase 2 – Sectoral Expansion

Upon recommendation of the EIS Governance Board and Government notification in official Gazette, the Scheme may be extended to other economic sectors, including agriculture, construction, transport, services and others.

The coverage of self-employed persons shall be governed by separate provisions.

Phase 3 – Benefit Expansion

In a subsequent phase, the EIS Governance Board may authorize the introduction of additional benefits, including but not limited to:

a. Vocational and medical rehabilitation and return-to-work services;
b. Medical care directly related to employment injuries;
c. Temporary disability benefits, including wage replacement during medical incapacity.

The phasing and sequencing of these benefits shall be guided by:

a. Actuarial valuations confirming the financial viability of the EIS Fund; and
b. The institutional maturity and administrative readiness of the EIS Authority.

Harmonization and preservation of Prior Entitlements

From the date of commencement of the relevant provisions of the EIIA and in line with Section 151A (2) of the BLA, any existing provisions of law relating to employers' liability for work-related injury or death, whether under labour law, civil law, or other enactments, shall:

a. Be deemed repealed to the extent of inconsistency; or
b. Be deemed harmonized and subordinate to the EIIA, as determined by the EIS Governance Board and notified by the Minister.

The EIS Authority shall consult with the Ministry responsible for labour and employment, and other relevant bodies to ensure legal coherence and avoid duplication of benefits or obligations. Accordingly, no civil or tort claims, including those for pain and suffering, loss of amenity, or other non-economic damages, shall be initiated or continued in respect of any injury, disease, or death for which compensation is provided under the EIIA.

Notwithstanding the commencement of the EIIA, any rights, entitlements, or obligations accrued under a previous scheme or legal regime shall:

a. Continue to be enforceable to the extent they relate to injuries or deaths occurring prior to the effective date of coverage under the EIIA; and
b. Be administered in accordance with the law in force at the time of the incident, unless otherwise provided by regulation.

The Minister may, by regulation, prescribe specific transitional arrangements to ensure the equitable integration of ongoing benefit claims into the new Scheme, where appropriate.

7.10 Schedules

Schedule 1	Sector Classification and Contribution Rates
Schedule 2	Full Benefit Calculation including deductions from other sources if any
Schedule 3	Apportionment rules for survivors and redistribution

Others?

8. Open Questions for Policy Decision

The following policy issues emerged during national technical tripartite discussions and workshops. These require further high-level dialogue and consensus among tripartite stakeholders. Their resolution will be critical to determining the final legal structure, financing model, and operational rollout of the national EIS for Bangladesh.

8.1 Institutional Location and gradual integration with the NSIS

A strategic policy decision is required on whether the national EIS should be established as a standalone, autonomous entity, modelled after the EIS Pilot, or whether it should ultimately be integrated into a broader Social Security Institution/Authority (SSI) under development through the National Social Security Strategy (NSSS). The latter approach would allow the EIS to operate alongside other branches of social insurance, such as sickness, maternity, or unemployment benefits.

The choice between autonomy and integration carries important implications. A dedicated and independent EIS body may provide sharper focus, operational flexibility, and continuity during the initial rollout phase, whereas integration within a unified SSI could enhance long-term system coherence and efficiency. From an operational perspective, the EIS Pilot already possesses functional management information systems, benefit administration mechanisms, and field-tested governance arrangements that could serve as the foundation for an EIS national Scheme. In contrast, the broader SSI structure remains in early development, which suggests that a phased transition might be more practical.

Institutional coordination will also require careful design. Integration affects how the EIS interacts with existing mechanisms such as the CF, the BLWF, and DIFE/DOL services, as well as with future schemes covering sickness, unemployment or maternity benefits. It further shapes collaboration with other ministries, particularly the Ministry of Health and Family Welfare for medical care and the Ministry of Social Welfare for social assistance. Decisions on institutional placement must also take into account interoperability and the prevention of duplication, including the use of a unified digital identity system (e.g. NID-based MIS), harmonized service delivery arrangements for rehabilitation, medical boards and inspection, and safeguards against overlapping or fragmented benefits for injured workers.

Interim Guidance:

It is recommended that, during the initial phases of national rollout, the EIS Scheme maintains the administrative and governance structure developed under the Pilot as a dedicated transitional entity. This EIS Authority should retain operational autonomy and full legal and financial powers necessary to administer the Scheme nationally, while the EIS Governance Board ensures overall supervision. The EIS Authority should coordinate closely with, but not merge into, other institutions during early implementation. The legal framework should, however, include an enabling provision allowing for future integration into a broader Social Security Institution once that entity becomes fully functional.

This approach is fully compatible with the enactment of a standalone Employment Injury Insurance Act (EIIA). As proposed in Chapter 7, the EIIA could establish a statutory EIS Authority and Governance Board, clearly define its governance, funding, and benefit structures, and provide for coordination with other schemes. A model enabling clause could state:

"The Government may, by notification, transfer the administration and assets of the EIS Scheme to a designated Social Security Institution upon its legal establishment, provided that the rights and entitlements under this Act shall continue to be protected."

8.2 Composition of Tripartite Governance

A tripartite governance structure is widely recognized as essential to the effective administration of the Scheme. It ensures transparency, accountability, and shared ownership among the principal social partners—government, employers, and workers. However, several questions remain regarding the structure, representation, and competencies of the governance board tasked to oversee the national EIS.

The EIS Governance Board is expected to be tripartite, composed of representatives from the Government, such as the Ministry of Labour and Employment and the Ministry of Finance; from employers, such as the Bangladesh Employers' Federation (BEF) and relevant sectoral federations; and from workers' organizations, such as the National Coordination Committee for Workers' Education (NCCWE) and sectoral workers' organizations. The size of the Board must strike a balance between broad representation and decision-making efficiency, with an indicative composition of eleven to fifteen members, as agreed during national discussions and reflected in Chapter 7.

In determining the final composition, consideration should be given to ensuring diversity across economic sectors, particularly those with higher injury risks or major contribution levels, such as garments, construction, and transport. Gender balance and regional representation should also be reflected, ensuring the inclusion of women. Provision should be made for observer participation from non-voting technical advisors.

Beyond representation, governance effectiveness will depend on the collective competence and integrity of the EIS Governance Board members. Members should possess or have access to expertise in social protection law and policy, actuarial science, insurance financing, occupational safety and health, labour market dynamics, claims and compensation systems, public financial management, and data or management information systems.

Governance Board members are expected to be fit for purpose—capable of exercising informed oversight and fulfilling their fiduciary responsibilities. They should be free from conflicts of interest or any vested affiliations that might compromise impartiality, and must be willing and available to engage in Governance Board meetings and committees actively.

Discussions during national workshops emphasized the importance of appointing active and technically competent individuals, rather than representatives selected solely on the basis of institutional nomination. This approach will help ensure that Governance Board decisions are grounded in technical insight, operational experience, and the realities of the sectors covered by the Scheme.

8.3 Sources of Funding

The Scheme is designed to operate primarily as a contributory insurance system. Its long-term financial sustainability and equitable expansion, however, will depend on the diversification of funding sources to ensure adequate financing of benefits, maintenance of administrative capacity, and progressive extension to new economic sectors.

Employer contributions will remain the Scheme's principal source of revenue, calculated on a transparent and actuarially sound basis. Contribution methods may vary by sector, for example, as a percentage of payroll, project value, or other suitable bases, subject to prescribed minimum and maximum thresholds.

In addition to employer contributions, government transfers may be required to support specific non-contributory functions, including digital infrastructure, administrative operations, and transitional subsidies. These transfers should be accompanied by clear accountability and reporting mechanisms to ensure transparency and fiscal discipline.

A key policy question is whether surpluses from existing labour-related funds—such as the BLWF and the CF under the Ministry of Labour and Employment (MoLE)—can legally and effectively be used as supplementary resources during the EIS rollout. As of FY 2024–25, the BLWF holds approximately BDT 12.53 billion in accumulated funds, primarily derived from four key sectors—apparel, telecom, pharmaceuticals, and tobacco—which account for nearly three-quarters of total inflows. Currently, around 14 percent of the fund is allocated to social welfare activities, including compensation for work-related injuries and deaths. Similarly, in early 2025, 52 percent of CF resources had been utilized, suggesting that part of the remaining balance could be mobilized to support the EIS, particularly for the initial phase of compensation payouts.[29]

International and brand-based contributions may continue to provide targeted transitional support for institutional capacity-building, system development, and early expansion of the Scheme during its first years of implementation.

A formal policy decision is therefore needed on the preferred funding mix, the potential use of existing surpluses, and the role of public and external transfers in ensuring long-term fiscal sustainability. Actuarial analysis should guide these decisions, supported by a legal framework that guarantees accountability, ring-fencing of contributions, and transparent financial reporting.

8.4 Investigation and Compliance

The enforcement framework for the EIIA requires further policy clarification. In particular, the respective roles of the EIS Authority and DIFE must be clearly defined to prevent overlap, ensure efficient use of resources, and maintain a coherent national labour inspection system.

A central policy issue is whether compliance monitoring and enforcement under the EIIA should be carried out by dedicated EIS investigators within the EIS Authority or by DIFE inspectors operating under delegated powers. Closely linked to this is the question of coordination: how investigations and inspections will be shared or sequenced between the two bodies, given DIFE's

29 This figures does not take into consideration the May/June 2025 emergency loan granted by the CF.

established responsibility for occupational safety and health and the EIS Authority's focus on contribution collection, registration, and benefit compliance.

Further consideration is required on the scope of legal powers to be conferred upon EIS investigators —whether they should have independent authority to enter workplaces, verify records, and impose sanctions, or instead act jointly with DIFE under a formal cooperation framework. Equally important is the development of mechanisms for relevant data sharing and joint reporting to avoid multiple or inconsistent inspections. Effective coordination will also depend on compatible training, harmonized procedures, and common digital tools for case management and compliance tracking.

Interim Guidance

Until a definitive structure is established, enforcement should operate under a transitional arrangement that emphasizes coordination rather than duplication. The EIS Authority should establish a compliance unit responsible for monitoring employer registration, contribution payments, and benefit administration, while DIFE should continue to lead on occupational safety and health inspections. Cooperation between the two should be formalized through an administrative agreement or memorandum of understanding specifying mandates, referral procedures, and information-sharing protocols.

A shared digital database and reporting platform should be developed to facilitate communication and ensure consistent oversight. This interim approach will promote operational clarity and reduce administrative burden.

Annexes

Highlights from Technical Workshops

a. Excerpts from Relevant Legal Texts (for Reference)
b. EIS Pilot Governance Rules as approved on 10 May 2023
c. EIS Pilot compensation document as approved on 10 May 2023, including Benefit level and share among beneficiaries
d. Example of EIS Authority Administrative Structure

List of definitions not included in the BLA and glossary of terms

Accident:	Any sudden occurrence in the workplace or outside the workplace while performing professional duties or under the authority of the employer, which results in physical injury or mental trauma or death (BLA, S. 2 (19A).
Commuting accident:	Accident on the way in and out of work (BLA, S. 80)
Actuarial liability:	The present value of future benefit payable to beneficiaries as of the date of the actuarial valuation (ILO).
Administrative costs:	Any management and administrative expenditure incurred by the scheme directly responsible for the provision of EIS benefits, such as salaries, or the costs of running an office.
Beneficiary:	in relation to a deceased worker, means any of the following relatives: a) The diseased wife or husband, minor children, unmarried daughters, widowed mother; b) If wholly or partly dependent on the earnings of the worker at the time of his death, mother or father, widowed daughter, minor brother, unmarried or widowed sister, widowed daughter-in-law, minor child of deceased son, minor child of a deceased daughter when his or her father is not alive, and where the father of the deceased worker is alive, the paternal grandparents. (BLA, S. 2(30))
Benefit:	cash payment or an in-kind/service entitlement provided by a social security scheme to ensure income security and/or access to health care when a protected person faces a defined contingency (risk) (ILO)
Cash Benefit:	Benefit provided in cash such as income replacement and income support benefits, lump-sum payments from provident funds, allowances and other cash payments which are not reimbursements (i.e. which do not require beneficiaries to show evidence of expenditure) (ILO)
In-Kind Benefit:	Goods or services provided in nature. In an EIS scheme it refers to medical and allied care and rehabilitation/return to work services (ILO)
Short-term benefit:	Types of benefit that are aimed at replacing earned income in case of a temporary loss of earnings resulting from work-related injury (ILO)
Contribution Rate:	The percentage of the covered insurable earnings that is to be collected to finance the scheme. (ILO)
Dependant:	Person who benefits from the services it provides as a result of his or her family ties to a member. Some schemes accept as dependents the member's spouse (or spouses) and children up to a specified age; others also include ascendants (members' parents and grandparents) and even siblings (members' brothers and sisters). Members must register dependents upon enrolment in the scheme or, in the case of marriage or birth, subsequent to enrolment. When a person is no longer a member of the scheme, coverage is no longer provided to his or her dependants. (ILO)

Employment/ work-related injury:	Injury arising out and in the course of employment/work (C. 121)
Disablement:	means, where the disablement is of a temporary nature, such disablement which reduces the earning capacity of a worker in any employment in which he was engaged at the time of the accident resulting in the disablement and where the disablement is of a permanent nature, such disablement which reduces is earning capacity in every employment which he was capable of undertaking at that time, provided that every injury specified in the First Schedule shall be deemed to result in permanent partial disablement. (BLA; S. 2 (+A)
Full funding:	Financial system under which the objective is to raise reserves equal to the amount of the actuarial liabilities. (ILO)
Work-related/ employment injury:	Covers both occupational accident and disease (C. 121)
Insurable earnings:	Refers to the portion of a worker's remuneration that is legally liable to social security contributions and therefore used as the basis for contribution and benefit calculations. (ILO)
Insured person:	Individuals protected in their own right who, when a contingency arises, acquire a right to a benefit in their own name or give rise to a benefit which will be acquired by a third person (i.e. a dependent). (ILO)
Minister:	Minister of Labour and Employment
Ministry:	Ministry of Labour and Employment
No-fault:	A no-fault employment-injury scheme is one under which entitlement to benefits depends solely on establishing that the injury, disease, incapacity or death is work-related (arising out of and in the course of employment), regardless of whether the employer, worker or a third party was at fault. This no-fault entitlement does not affect any other civil, criminal, or administrative liabilities that may arise under national law. (ILO)
Notice of Award:	When the EIS Authority approves the payment of a new benefit, a notice of award is produced and sent to the permanently disabled worker or the eligible dependent(s) of a deceased worker. This notice of award indicates amongst other things the following: (1) The amount of the benefit and commencement date of the benefit; (1) The duration of payment of the benefit. (EIS Pilot Document on Compensation, clause 3)
Occupational Disease:	A disease known to arise out of exposure to substances or dangerous conditions in processes, trades or occupations. The occupational diseases in Bangladesh are listed in the Third Schedule of the BLA.
Pay as you go:	The ratio of total annual expenditure of a scheme to the annual sum of insurable earnings underlying the scheme. It reflects the contribution rate to be charged annually if a scheme was financed on a pure annual assessment (PAYG) basis. (ILO)
Reference wage:	Is the gross salary (basic salary plus allowances for housing, medical, food and transport) paid to the worker in the month prior to the work-related injury (excluding overtime). If a worker has not worked a full month in the month prior to the work-related injury, the reference wage is adjusted upward to reach the equivalent of a full month. (EIS Pilot Document on Compensation, clause 2.1.5)
Risk-pooling:	Collective sharing of exposure and costs of social risks within a single fund, enabling benefits to be paid to affected members from resources contributed by the wider insured group. (ILO)
Serious and wilful misconduct:	Deliberate or recklessly indifferent violation of safety rules or lawful instructions, committed with knowledge of the risk and of such gravity that it substantially causes or contributes to the employment injury. (from several national case-law)
Surplus:	At a given date, the accumulated excess of income over total expenditures. (ILO)