



HIGHLIGHTS OF THE EMPLOYEES' COMPENSATION ACT

The Secretariat is now in possession of a copy of the Employees' Compensation Act, 2010. The highlights of the Act are as follows:

- The scheme is designed to provide compensation to employees who either sustain injuries from accidents at the workplace, or suffer from occupational diseases in the course of employment whether at the usual place of work or outside it.
- It will cover all employees except members of the Armed forces. It will eventually cover self-employed persons in both the formal and informal sectors of the economy.
- This Act is necessary as the prescribed compulsory insurance under the Pension Reforms Act does not cover injuries but only death benefits
- Objectives of the Act include among others:
 - Repeal the Workmen's Compensation Act in line with global best practices and trends
 - Provide for the rehabilitation of injured employees
 - Expand the scope of injury to workers such as the inclusion of compensation for mental stress.
- Cause of injury or who is at fault will not be relevant – **no fault claim**
- The NSITF will implement the Act and the fund, by setting up a Fund that will be under the oversight responsibility of an Independent Investment Committee.
- All employers are expected to contribute a minimum of **1%** of the total monthly payroll in the first 2 years. The remuneration will be made up of Basic salary, Housing, Transport, Meal Allowance and Utility Allowance or other allowances as may be determined by the Board.
- The Board will assess employers within the first 2 years in order to determine what each employer shall pay subsequently.
- Employers will be divided into classes and sub-classes for the purpose of assessment.
- It relieves the employer of the heavy burden of solely taking care of the injured worker.



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- Payment would be made at regular intervals and there would be no further recourse to the employer no matter the amount of liability involved.

For further details, please, contact the Secretariat for a copy of the Act at your own cost.