
Part II - Employers' Information

QUESTION: Who is an Employer?

Answer

An 'employer' is a person or body of persons, corporate or incorporate, having a contract of service, or apprenticeship or learner ship, with a worker, whether the contract was entered into before the commencement of the Workers' Compensation Act.

QUESTION: Who is a worker?

Answer

In the Act, a "worker" is defined as any person who has entered into or works under a contract of service or of apprenticeship or of learner ship with an employer whether the contract is expressed or implied, is oral or in writing. There is no disqualification by reason of any salary or payment in kind the person may earn. However, the following are excluded from the definition of a "worker":

- (a) members of the Defense Force of the Republic of Zambia;
- (b) persons in the Police or Public Service of the Republic of Zambia;
- (c) persons employed casually by an employer and not in connection with the employer's trade or business;
- (d) outworkers, e.g. agents;

A partner is not a worker.

QUESTION: Who must register with the Workers' Compensation Board?

Answer

Every employer of workers is required to register and to pay annual assessments to the Workers' Compensation Fund Control Board. Employers of private domestic servants are required to pay assessments by way of domestic contribution stamps through the Post Office to "National Pension Scheme Authority" (NAPSA). Approach NAPSA for details.

QUESTION: How do employers benefit?

Answer

The Act makes provision for the payment of compensation to workers sustaining any injury while on duty. The employer is protected against civil claims, which may be instituted against him in the event of a worker being injured while on duty except where negligence, breach of duty or other wrongful act or omission of the worker for whose act or default the employer is responsible.

A worker who is injured on duty is entitled to the payment of compensation in respect of temporary total disablement, permanent disablement and death.

Generally, employers benefit from the payments of assessments because of the collective liability insurance features of the Workers' Compensation Fund system. Due to pooling of contributions, the costs of all claims are shared by all employers.

The Board also helps to rehabilitate injured workers, and through its safety section, helps employers to reduce occupational injuries and diseases in their companies.

QUESTION: What does classification of employers entail?

Answer

Employers are classified according to economic activities and their associated risks. All employers classified in the same group have the same contribution rate for assessment purposes.

Without classification, all employers would pay at the same rate. Irregularities would exist as some industries are more risky than others. The classification system therefore distributes premiums more equitably among employers.

QUESTION: What is an assessment?

Answer

After an employer has been registered he will then be asked to estimate the earnings of his workers for the current year, i.e. from 1st April to the following 31st March, and to pay a provisional assessment on his anticipated workers' earnings in accordance with the rate prescribed for his particular class of business.

Any under- or over-payment of the provisional assessment is adjusted after the end of the assessment year when the actual earnings of workers for the year are known.

QUESTION: What is an assessment rate?

Answer

These are prescribed rates (%) for each particular class of business as fixed from time to time by the Workers' Compensation Fund Control Board. The rates of assessment are published in the Government Gazette.

QUESTION: What is the method of rating?

Answer

Employers are divided into different classes according to the nature of their activities.

The assessment rates are fixed on the principle that each industry should carry the cost of its own accidents in accordance with the accident experience.

QUESTION: What is regarded as earnings (wages)?

Answer

For the purpose of assessment and compensation, earnings mean any payment made to a worker which arise out of his/her employment and include:-

- (a) Salary/wages
- (b) All overtime payment of a regular nature
- (c) Shift differential payment
- (d) Payment made to casual workers employed in connection with employer's nature of business
- (e) Leave pay if not included in (a) above, and
- (f) An addition of 12.5% to the total of items (a) to (e) to cover food and quarters.

QUESTION: What are assessable earnings?

Answer

The Workers' Compensation Act provides for a ceiling on the amount of a worker's income upon which assessment and benefits are calculated. If a worker's earnings are in excess of this ceiling, the excess is disregarded for the purpose of assessment and compensation.

QUESTION: What other obligations do employers have?

Answer

Employers must within three days after having gained knowledge of the occurrence of an accident or incidence of a disease in respect of a worker, report the occurrence to the Workers' Compensation Commissioner on a prescribed form obtainable from Workers' Compensation Board offices.

Employers are also required to:-

- provide and maintain such appliances and services for rendering of first aid to workers in case of any accident as may be prescribed in respect of their trade or business.
- provide a conveyance for the removal of injured workers to a hospital or to their residence.