

(4) Basic invalidity and old-age benefits should be not less than 30 per cent. of the current wage commonly recognized for male unskilled workers in the district in which the beneficiary resides, if the beneficiary has no dependants, or 45 per cent. thereof if he has a dependent wife who would be qualified for widow's benefit or a housekeeper for his children; for each of not more than two dependent children, an additional 10 per cent. of such wage, less the amount of any children's allowances for these children, should be payable.

(5) Basic widow's benefit should be not less than 30 per cent. of the current minimum wage commonly recognized for male unskilled workers in the district in which the beneficiary resides; for each of not more than three dependent children, child's benefit at the rate of 10 per cent. of such wage, less the amount of any children's allowances for these children, should be payable.

(6) In the case of an orphan, basic child's benefit should be not less than 20 per cent. of the current minimum wage commonly recognized for male unskilled workers, less the amount of any child's allowance payable in respect of the orphan.

(7) A portion of every contribution additional to those paid as a qualification for basic invalidity, old-age and survivors' benefits may be credited to the insured person for the purpose of increasing the benefits provided for in subparagraphs (4), (5), and (6).

(8) In every case in which retirement is deferred beyond the minimum age at which old-age benefit could have been claimed, basic old-age benefit should be equitably increased.

(9) Compensation for employment injuries should not be less than two thirds of the wages lost, or estimated to have been lost, as the result of the injury.

(10) Such compensation should take the form of periodical payments, except in cases in which the competent authority is satisfied that the payment of a lump sum will be more advantageous to the beneficiary.

(11) Periodical payments in respect of permanent incapacity and death should be adjusted currently to significant changes in the wage level in the insured person's previous occupation.

#### *Contribution Conditions*

25. The right to benefits other than compensation for employment injuries should be subject to contribution conditions designed to prove that the normal status of the claimant is that of an employed or self-employed person and to maintain reasonable regularity in the payment of contributions: Provided that a person shall not be disqualified for benefits by reason of the failure of his employer duly to collect the contributions payable in respect of him.

(1) The contribution conditions for sickness, maternity and unemployment benefits may include the requirement that contributions shall have been paid in respect of at least a quarter of a prescribed period, such as two years, completed before the contingency occurs.

(2) The contribution conditions for maternity benefit may include the requirement that the first contribution shall have been paid at least ten months before the expected date of confinement, but even though the contribution conditions are not fulfilled, maternity benefit at the minimum rate should be paid during the period of compulsory abstention from work after confinement, if the claimant's normal status appears, after consideration of the case, to be that of an employed person.

(3) The contribution conditions for basic invalidity, old-age and survivors' benefits may include the requirement that contributions shall have been paid in respect of at least two-fifths of a prescribed period, such as five years, completed before the contingency occurs; payment of contributions in respect of not less than three-quarters of a prescribed period, such as ten years, or of any longer period which has elapsed since entry into insurance, should be recognized as an alternative qualification for benefit.

(4) The contribution conditions for old-age benefit may include the requirement that the first contribution shall have been paid at least five years before the claim for benefit is made.

(5) The right to benefit may be suspended where an insured person wilfully fails to pay any contribution due by him in respect of any period of self-employment or to pay any penalty imposed for late payment of contributions.

(6) The insurance status of an insured person at the date when he becomes entitled to invalidity or old-age benefit should be maintained during the currency of such benefit for the purposes of ensuring him, in the event of recovery from invalidity, as full protection under the scheme as he was entitled to on the occurrence of the invalidity, and of entitling his survivors to survivors' benefits.

#### D. DISTRIBUTION OF COST

26. The cost of benefits, including the cost of administration, should be distributed among insured persons, employers and taxpayers, in such a way as to be equitable to insured persons and to avoid hardship to insured persons of small means or any disturbance to production.

(1) The contribution of an insured person should not exceed such proportion of his earnings taken into account for reckoning benefits as, applied to the estimated average earnings of all persons insured against the same contingencies, would yield a contribution income the probable present value of which would equal the probable present value of the benefits to which they may become entitled (excluding compensation for employment injuries).

(2) In accordance with this principle the contributions of employed persons and self-employed persons for the same benefits may, as a rule, represent the same proportion of their respective earnings.

(3) A minimum absolute rate, based on the minimum rate of earnings which may be deemed to be indicative of substantial gainful work, may be prescribed for the insured person's contribution with respect to benefits the whole or part of which does not vary with the rate of previous earnings.

(4) Employers should be required to contribute, particularly by subsidizing the insurance of low-wage earners, not less than half the total cost of benefits confined to employed persons, excluding compensation for employment injuries.

(5) The entire cost of compensation for employment injuries should be contributed by employers.

(6) Consideration should be given to the possibility of applying some method of merit rating in the calculation of contributions in respect of compensation for employment injuries.