

TCA'S CLAIM PROCESSING MECHANISM

Tazreen Claims Administration (TCA), a Trust established under the laws of Bangladesh, aims to establish a fair and transparent compensation mechanism to receive and review and claims of the workers who were affected by the fire accident that occurred on 24 November 2012 in Tazreen Fashions Limited, Dhaka. TCA's compensation mechanism is based on the ILO Convention 121 and calculated for each case through a VBA tool provided by the International Labour Organization (ILO).

The claim processing of TCA for the deceased, missing, and injured workers consists of following stages:

- Claim form
- Collecting information available from Caritas and other local NGOs, Government offices, including Prime Minister's office, Ministry of Labor and Employment, District Commissioner's office and National Forensic DNA Profiling Laboratory (NFDPL);
- Preparing reliable lists of eligible deceased, missing and injured workers;
- Pre-counseling advice to the families of the deceased and missing and injured workers;
- Claims registration and filling out the claim form at TCA office with the help of TCA staff;
- Opening bank accounts for the eligible claimants and dependents;
- Independent medical assessment of the injured workers;
- Claims review and verification;
- Calculation of the compensation;
- Calculation of supplement amount;
- Issuance of the Awards;
- Issuing Notice of Award to the eligible claimants and dependents;
- Authorization of payments of awards by the Coordination Committee;
- Apportionment of awards;
- Payments of awards;
- Arrangement for long term medical care for workers who may need it;
- Post award services mainly advising on options to best use or save money.

1. Claim Form: A specific Claim Form has been designed for the claims of Tazreen workers. The Claim Form provides TCA the platform of receiving claims and guidelines of the minimum evidence and documents for each type of claims: deceased, missing, and injured. The Claim Form has been incorporated into the Tazreen database and is filled out electronically by the TCA staff for each claimant.

2. Lists of deceased, missing and injured workers: TCA has received 20 different lists on deceased, missing and injured workers of Tazreen Fashions from various national

organisations. TCA compiled and verified all these lists into 2 reliable master lists- one on deceased and missing workers and another one on injured workers of Tazreen Fashions. On the basis of these two lists, TCA will process the claims in two phases. In the first phase, TCA will register the claims of the families of the deceased and missing workers. In the second phase, TCA will process the claims of the injured workers.

3. Pre-counseling advice to the claimants: In this phase, TCA contacts the families of the deceased and missing workers and injured workers one by one for providing pre-counseling advice, information and documents needed for registering their claims. The team further contacts the claimants to provide them fixed appointment to come to TCA office in order to receive their documents and register their claims.

4. Receiving and registration of claims: On a fixed date, the TCA team interviews the claimants and dependents, scrutinizes the documents submitted as proofs of their claims, fills out the claim form for each dependent, and registers the claims. At the time of receiving the claims, TCA also conducts an initial review to assess the eligibility of claims and identify any legal issue which may hinder the claim-processing, for instance, to see whether all the dependents are accounted for, the identification proof of the claimants and dependents, the credentials of the documents submitted, etc. All the information regarding a claim is saved electronically in a database prepared for this purpose and the claimant is provided a claim receipt as a proof of their submission.

5. Opening bank accounts for claimants: Alongside registration of the claim, bank accounts are also opened in the names of the claimants and dependents on the same day and the same place so that the claimants don't need to return another day for this purpose. The banks accounts are opened in Dutch Bangla Bank Limited (DBBL). Each day during the claim registration process, a DBBL representative attends the registration process and opens the bank accounts for the claimants and dependents. The account numbers and ATM cards are also provided to the claimants and dependents on the same day.

6. Medical assessment of the injured workers: At the time of registering the claims of injured workers, an independent and thorough physical and psychological medical assessment is done for each injured workers in order to assess the percentage of their disability level (DLP). TCA has made arrangements with the Centre for the Rehabilitation of the Paralyzed (CRP) to assess the DLP of the injured workers of Tazreen.

7. Review of claims and verification of documents: All the submitted claims will go through a process of review, verification and final approval by TCA. TCA's electronic database records the results of the review and verification of compensation claims. The review of the compensation claims of the deceased, missing and injured workers comprises following steps:

- Review of the documents submitted with the claims;
- Verifying information provided by the claimants at the time of registering claims;
- Examining the eligibility of the dependents;

- Verifying the employment records of the worker;
- Verifying that the claim is related to Tazreen fire accident; in case of a deceased claim and missing claim, required documents include the proof of dead-body transfer or DNA profile matching report.

After reviewing and verifying all the information and documents submitted, if TCA is satisfied that the claim is eligible, TCA calculates the amount of the compensation for the dependents of the deceased and missing workers and injured claimants. In calculating the compensation, TCA principally uses ILO designed VBA tool which has been modified as per TCA requirement. For a deceased and missing claim, VBA tool takes into account the salary of the workers, his/her survivor benefits, number and age of dependents, among others. For an injured claim, the tool takes into consideration his/her salary and disability level (ranging from 0-100%). Compensation is higher if the disability level is higher.

The calculation of compensation claim is conducted in two phases-

- In the first phase, the total amount of compensation is calculated;
- In second phase, the financial assistance received from the Prime Minister and BGMEA (which is generally BDT 700,000 in case of a deceased and missing claim and BDT 100,000 for any injured claim) is deducted from the total amount of compensation.

8. Calculation of supplement amount: Since some of the claimants will not be entitled to receive any amount after the deduction of financial assistance previously received from the Prime Minister and BGMEA, the Coordination Committee, on the basis of previous experience and practice in Rana Plaza Claims Administration has agreed to provide supplement amounts in addition to full payments of all awards calculated under the ILO Convention 121 to the awards that are lower than an agreed minimum amount. This arrangement aims to ensure that every claimant receives an amount. For a deceased and missing claim, the minimum amount of compensation in line with the practice in Rana Plaza is BDT 10,50,000. Therefore, if any award for the family of a deceased worker is less than the above minimum floor, a further supplement amount will be given to the eligible dependents subsequently.

Following are samples of calculation for 3 (three) deceased or missing claims which show the total breakdown of how compensation is calculated as part of TCA's claim processing mechanism:

Sample 1 (where the total amount of compensation exceeds the minimum floor of BDT 10,50,000)

1.	Total claim	1
2.	Total dependent	4 (wife, 2 children below 25 years and parents)
3.	Total amount to be awarded (before deduction)	BDT 15,000,000
4.	Total deducted amount (award of PM and BGMEA)	BDT 700,000
5.	Total amount of compensation to be awarded	BDT 800,000

Sample 2 (where the total amount is below the minimum floor of BDT 10,50,000)

1.	Total claim	1
2.	Total dependent	2 (wife and 1 child)
3.	Total amount to be awarded (before deduction)	BDT 600,000
4.	Total deducted amount (award of PM and BGMEA)	BDT 700,000
5.	Total amount remaining after deduction	0 (the award amount has already adjusted with the financial assistance received from PM and BGMEA.
6.	Total required supplement amount	BDT (10,50,000-600,000) = BDT 400,000
7.	Total amount to be paid after deduction with supplement	BDT 450,000

The minimum amounts for the injured workers based on the level of disability the minimum amounts, including amounts received from the Prime Minister Welfare Fund and BGMEA, are as follows:

SL	Disability Level Percentage ¹	Amount (BDT)
1.	0%	105,000
2.	1-3%	150,000
3.	4-6%	250,000
4.	7-9%	350,000
5.	10-30%	450,000
6.	31-100%	550,000

9. Issuance of the award: After calculation, the compensation amount for each claim is confirmed by the Executive Commissioner (EC) in the form of issuing an award. The EC also confirms the supplement amount to be payable to the eligible dependents. During the review stage, the claims reviewers of TCA also points out if there is any circumstance with respect to any claim which requires EC's consideration. The EC may consider those claims with special circumstance, for instance, if any claim is involved with non-eligible dependents or any special financial or medical need is required.

10. Issuance of Notice of Award: Each claimant including all the eligible dependents of the deceased and missing workers, and injured claimants are issued a Notice of Award mentioning the amount which is awarded to each of them in accordance with the apportionment rule. After issuing the Notice of Award, each claimant is entitled to bring to the attention of the EC any possible computational, clerical, or factual error in his/her award, within a period of 15 days from the receipt of this Notice of Award, for the EC's consideration.

¹ The disability percentage (DLP) refers to the level of injury suffered by a worker from an accident. It explains, in percentage, the level of disability of an injured worker from medical perspective. DLP for Tazreen injured workers is determined by a group of qualified medical practitioners consisting of doctor, therapist (occupational therapist, physiotherapist, speech & language therapist), psychologist, nurse, medical specialist and medical investigation. This percentage is applied to calculate compensation payable to an injured worker.

11. Correction of awards: After issuing the Notice of Award and expiry of 15 days' period, if any award recipient makes any request for correction on the ground of computational, clerical, or factual error in his/her award, the request is reviewed by TCA and correction is made as necessary. The corrections will be approved by the EC and the claimant will be informed of the result of his/her request.

12. Authorization for payments of awards from the Coordination Committee: The EC presents the amount of awards with the supplement amounts to the Coordination Committee (CC) for its authorization for payments. EC may also present any special case which requires CC's approval.

13. Apportionment of awards: The compensation awards for each eligible claimant and dependent of a deceased or missing worker are apportioned (divided) in accordance with the apportionment rules designed by the Rana Plaza Commissioners and is disbursed in the bank accounts which were opened in their names at the date of claim registration. The apportionment rules are previously used in processing Rana Plaza claims. For instance, in a deceased or missing claim with the wife, children and parents as eligible dependents, the compensation will be awarded in the following manner:

- Wife 30% of the award
- Children 50% of the award
- Parents 20% of the award

If the dependents are only wife and children, the compensation will be awarded in the following manner:

- Wife 40% of the award
- Children 60% of the award

14. Payments of awards: The amounts of awards determined for each dependent after applying the apportionment rules, are paid by TCA in his/her bank account opened in DBBL for this purpose. To make the payments, the amounts of awards for each claimant are organized in a form of lists with the information required from the Bank to be able to make the payments. The lists are signed and sent to DBBL for payments. Payments are made without any cost to claimants. DBBL informs each claimant at the same day by an SMS to their mobile telephone numbers of their payments. In addition, TCA also informs the claimants that payments have been made. A feature of the customized database for TCA is that it will be possible to communicate with all the claimants through SMS notifications.

15. Arrangement of medical care: TCA will also consider the extent that injured claimants may require long term medical care and will arrange that accordingly with the prior approval of CC. It is foreseen that this service may be arranged with the assistance of Caritas.

16. Post award services: TCA further considers providing post award services to the award recipients by way of advising mainly on options to best use of or save money of the award. Government's high yield bond (e.g. Family Bond with an interest of BDT 1,080 per lac per month) may be provided to claimants as part of their awards.