

## Saudi Arabia

Exchange rate: U.S.\$1.00 equals 3.75 riyals.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1962.

**Current law:** 2000.

**Type of program:** Social insurance system.

#### Coverage

Employees of all firms and self-employed persons.

Exclusions: Agricultural workers, seamen, domestic servants, those engaged in family labor, and casual workers with less than 3 months of service.

Special contributory system for public employees.

Note: As of March 1987, foreign workers are no longer covered under this program.

#### Source of Funds

**Insured person:** 9% of earnings.

**Employer:** 9% of payroll.

**Government:** Cost of administration during the initial phase, an annual subsidy, and any operating deficit.

Maximum earnings for contribution and benefit purposes are 45,000 riyals a month.

Minimum earnings for contribution and benefit purposes are 400 riyals a month.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with 120 months of contributions.

Entitlement to the old-age pension is also possible on reaching the statutory retirement age with at least 60 months of paid contributions plus credited contributions not exceeding 60 months.

Early retirement: Age 55 (men) with 120 months of contributions for those engaged in arduous or unhealthy work; any insured person before age 60 with 300 months of contributions.

Retirement from covered employment is necessary.

**Disability pension:** Incapacity for any work before age 60 with 12 consecutive months of contributions or 18 nonconsecutive months of contributions. The disability must occur while the person is in insured employment.

Benefit is also payable with 120 months of contributions (including at least 60 months of paid contributions plus

credited contributions not exceeding 60 months) if no longer in covered employment at the onset of disability.

**Survivor pension:** Deceased was in insured employment at the time of death with 3 consecutive months of contributions or 60 nonconsecutive months of contributions.

Benefit is also payable with 120 months of contributions (including at least 60 months of paid contributions plus credited contributions not exceeding 60 months) if the insured was not in covered employment at the time of death.

#### Old-Age Benefits

**Old-age pension:** 2.5% of the average monthly wage during the last 2 years times the number of years of contributions.

The minimum pension is 1,500 riyals.

Refund of contributions: 10% of the average monthly wage for the first 60 months of contributions and 12% for any additional months, if the insured person is age 60.

#### Permanent Disability Benefits

**Disability pension:** 2.5% of the average monthly wage during the last 2 years times the number of years of contributions, if in insured employment at the onset of disability (otherwise, see old-age pension, above).

The minimum pension is 50% of the average monthly wage or 1,500 riyals, whichever is greater.

Constant-attendance supplement: 50% of the disability pension.

Refund of contributions: 10% of the average monthly wage for the first 60 months of contributions and 12% for any additional months, if the insured person is disabled.

#### Survivor Benefits

**Survivor pension:** 2.5% of the average monthly wage during the last 2 years times the number of years of contributions.

The maximum pension is 100% of the insured's pension when shared equally among three or more dependents; 75% for two dependents; and 50% for one dependent.

The minimum combined survivor pension is 50% of the average monthly wage or 1,500 riyals, whichever is greater.

The minimum individual survivor pension is 300 riyals.

Eligible survivors: 20% of the pension is payable to each dependent son under age 20 (age 25 if a full-time student), a dependent unmarried daughter or sister, and dependent parents; 40% for full orphans.

Refund of contributions: 10% of the average monthly wage for the first 60 months of contributions and 12% for any additional months, if the insured person dies.

For the death of a recipient of a nonoccupational disability pension, the pension is split among dependents.

Marriage grant: If the widow or a dependent daughter, sister, or granddaughter of the deceased marries, she receives a grant

equal to 18 times her monthly survivor pension. Entitlement to the survivor pension ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

**Death grant:** A lump sum equal to 3 months' pension divided equally among the dependent survivors.

The maximum death grant is 10,000 riyals.

### **Administrative Organization**

Ministry of Labor and Social Affairs provides general supervision.

General Organization for Social Insurance administers the program through district offices. It is managed by a tripartite board.

### **Sickness and Maternity**

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#### **Regulatory Framework**

1969 law requires employers with more than 20 employees to pay 100% of wages for the first 30 days of sick leave and 75% of wages for the next 60 days.

#### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1947.

**Current law:** 2000.

**Type of program:** Social insurance system.

#### **Coverage**

Saudi and non-Saudi employees of all firms.

#### **Source of Funds**

**Insured person:** None.

**Employer:** 2% of payroll.

**Government:** Annual subsidy and any operating deficit.

Maximum earnings for contribution and benefit purposes are 45,000 riyals a month.

Minimum earnings for contribution and benefit purposes are 400 riyals a month.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

#### **Temporary Disability Benefits**

100% of the daily wage (75% if under treatment at the General Organization for Social Insurance's expense in a medical center). The benefit is payable until the insured person is able to resume work.

### **Permanent Disability Benefits**

**Permanent disability pension:** Saudi insured persons receive 100% of the average monthly wage for the 3-month period immediately preceding the onset of disability, if totally disabled.

The minimum pension is 1,500 riyals a month.

Non-Saudi insured persons receive a benefit for permanent disability in the form of a lump sum equal to 84 times the permanent disability pension up to a maximum of 330,000 riyals.

Constant-attendance supplement: 50% of the pension.

The maximum supplement is 3,500 riyals.

**Partial disability:** Saudi insured persons receive a percentage of the full pension proportionate to the assessed degree of disability. For a loss of capacity of less than 50%, a lump sum is awarded equal to 60 times the monthly pension for permanent disability multiplied by the actual percentage of disability.

Non-Saudi insured persons receive a benefit for partial disability in the form of a lump sum equal to 60 times the partial disability pension up to a maximum of 165,000 riyals.

#### **Workers' Medical Benefits**

Necessary medical, dental, and diagnostic treatment; hospitalization; medicines; appliances; transportation; and rehabilitation.

#### **Survivor Benefits**

**Survivor pension:** 100% of the average monthly wage for the 3-month period immediately preceding the date of death.

The minimum survivor pension is 1,500 riyals a month.

The maximum pension is 100% of the insured's pension when shared equally among three or more dependents; 75% for two dependents; and 50% for one dependent.

Eligible survivors: Dependent sons, brothers, and grandsons of the deceased under age 21 (age 26 if a full-time student); a widow, unmarried daughters, sisters, and granddaughters; parents; grandfather and grandmother.

**Marriage grant:** If the widow or a dependent daughter, sister, or granddaughter of the deceased marries, she receives a grant equal to 18 times the monthly survivor pension. Entitlement to the survivor pension ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

**Death grant:** A lump sum equal to 3 months' pension divided equally among dependent survivors.

The maximum death grant is 10,000 riyals.

#### **Administrative Organization**

Ministry of Labor and Social Affairs provides general supervision.

General Organization for Social Insurance administers the program through the Occupational Hazards Branch.