

## Jordan

Exchange rate: US\$1.00 equals 0.70 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1978.

**Current law:** 2001 (social security).

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

#### Coverage

Employees over age 16 in private establishments with five workers or more; government and public-sector employees not covered under civil or military pension laws; employees of universities, municipalities, and village councils; and Jordanians working at diplomatic missions and for international organizations.

Expatriate Jordanians may contribute voluntarily subject to a minimum income requirement and a maximum earnings ceiling.

**Exclusions:** Public-sector employees covered under civil or military pensions laws, foreign employees serving in international organizations or foreign political or military missions, and casual labor. Pending a decision by the Council of Ministers, based on the recommendation of the Board of Directors of the Social Security Corporation, the following employee categories are currently suspended from coverage: agricultural workers, seamen, fishermen, and domestic servants.

**Special schemes:** Public-sector employees covered under civil or military pension laws.

#### Source of Funds

**Insured person:** 5.5% of wages; insured workers can also contribute lump-sum amounts for previous work periods not covered.

Those ceasing to be compulsorily covered, whether employed or self-employed and whether residing inside the kingdom or abroad, may contribute voluntarily. All voluntary contributions are 14.5% of income between 150 dinars and 1,000 dinars.

**Self-employed person:** May contribute voluntarily in certain circumstances. All voluntary contributions are 14.5% of income between 150 dinars and 1,000 dinars.

**Employer:** 9% of payroll.

**Government:** Any deficit.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with 180 months of coverage, including 60 months of paid contributions.

An insured person with at least 10 years of contributions before reaching the statutory retirement age may continue to contribute up to age 65 (men) or age 60 (women) in order to meet the minimum qualifying conditions.

**Early pension:** A reduced old-age pension is possible from age 45 with at least 18 years (men) or 15 years (women) of contributions.

Benefits are payable abroad.

**Disability pension:** Total or partial incapacity for work and 60 months of contributions of which 36 months are consecutive.

Benefits are payable abroad.

**Survivor pension:** The deceased had 24 months of contributions of which 12 months were consecutive. If more than one survivor is eligible, the pension is split between survivors according to the schedule in law.

Eligible survivors include the insured's widow(er); the insured's male children up to age 26 if a student or until the completion of the first university degree, whichever comes first; all dependent daughters if unmarried, widowed, or divorced; brothers (under age 18) who were supported by the insured; sisters supported by the insured; parents; and an unborn child.

The pension for the widow, daughter(s), or sister(s) is suspended on marriage but is resumed if subsequently widowed or divorced.

Benefits are payable abroad.

#### Old-Age Benefits

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

The maximum pension is 75% of the insured's average monthly wage in the last 2 years.

**Dependent supplement:** The pension is increased by 10% for the first dependent and 5% each for the second and third.

**Early pension:** 2.5% of the insured's average monthly wage in the last 2 years times the number of years of contributions and subject to scaled reductions based on gender and age at the time the pension is first received.

For men, the scaled reductions range from 1% if retiring between ages 58 and 59 to 18% if retiring between ages 45 and 46; for women, the reductions are 10% if retiring between ages 45 and 50 or 5% if retiring between ages 50 and 54; no reduction for women retiring between ages 54 and 55.

If an insured person reaches retirement age, becomes disabled,

or dies without entitlement to a pension, a lump-sum award is made equal to 15% of his or her average annual wage in the last 2 years for each year of contributions; if the contribution period is less than 2 years, 15% of the average monthly wage multiplied by the number of months of contributions.

If an insured person ceases work prior to retirement age without entitlement to a pension but has between 12 and 60 months of contributions, a lump-sum award is made equal to 10% of the insured's average annual wage; for 60 to 179 months, 12% of the average annual wage; for 180 months or more, 15% of the average annual wage.

Lump-sum compensation can also be paid for certain cases as determined by the Board of Directors of the Social Security Corporation.

Since January 1, 1996, all pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

Benefit adjustment: Benefits are adjusted periodically by the Council of Ministers according to changes in the cost of living.

### **Permanent Disability Benefits**

**Disability pension:** 50% of the insured's average monthly wage.

The average monthly wage is average earnings on which contributions were paid in the last 36 months.

The pension is increased by 0.5% for each full year of contributions if the insured person has at least 60 months of contributions or by 1% for each full year if the total contribution period is at least 120 months.

Constant-attendance allowance: The allowance is equal to 25% of the pension.

Since January 1, 1996, all pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

Benefit adjustment: Benefits are adjusted periodically by the Council of Ministers according to changes in the cost of living.

### **Survivor Benefits**

**Survivor pension:** 50% of the average monthly wage in the last year of contributions or, if the deceased was a pensioner, 100% of the insured's pension. The pension is payable to a widow; for an unborn child; a dependent disabled widower; dependent daughters if unmarried, widowed, or divorced; and parents.

The pension is increased by 0.5% for each full year of contributions made by the deceased if he or she had at least 60 months of contributions; by 1% for each full year if the total contribution period is at least 120 months.

**Funeral grant:** 150 dinars.

Since January 1, 1996, all pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

Benefit adjustment: Benefits are adjusted periodically by the Council of Ministers according to changes in the cost of living.

### **Administrative Organization**

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1978.

**Current law:** 2001 (social security).

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

#### **Coverage**

Employees over age 16 in private establishments with five workers or more; government and public-sector employees not covered under civil or military pension laws; employees of universities, municipalities, and village councils; Jordanians working at diplomatic missions and for international organizations; and apprentice laborers under age 16.

Exclusions: Public-sector employees covered under civil or military pensions laws, foreign employees serving in international organizations or foreign political or military missions, and casual labor. Pending a decision by the Council of Ministers, based on the recommendation of the Board of Directors of the Social Security Corporation, the following employee categories are currently suspended from coverage: agricultural workers, seamen, fishermen, and domestic servants.

Special scheme for public-sector employees covered under civil or military pension law.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 2% of payroll (may be reduced to 1% if the employer assumes the full cost of medical treatment and the payment of daily allowances for temporary disability). No contribution is required on wages paid to apprentices.

**Government:** Any deficit.

#### **Qualifying Conditions**

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

#### **Temporary Disability Benefits**

75% of the insured's daily wage. The employer pays the wage for the day the accident occurred; thereafter, the Corporation pays the daily benefit. Payment continues until the insured resumes work, is assessed as permanently disabled, or dies.

### ***Permanent Disability Benefits***

**Permanent disability pension:** If totally disabled, 75% of the monthly wage used for calculating the contribution on the day of the injury.

Constant-attendance allowance: Equal to 25% of the pension.

Partial disability: If 30% disabled or more, a percentage of the total disability pension in proportion to the assessed degree of disability multiplied by the insured's monthly wage. If less than 30% disabled, a lump-sum grant equal to a percentage of the total disability pension in proportion to the assessed degree of disability multiplied by 36 monthly wages.

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

Medical treatment, hospitalization, transportation, and rehabilitation services (including artificial limbs).

### ***Survivor Benefits***

**Survivor pension:** 60% of the covered monthly wage used for calculating the contribution on the day of the injury. Where more than one survivor is eligible, the pension is split between survivors according to the schedule in law.

Eligible survivors include the insured's widow(er); the insured's male children up to age 26 if a student or until the completion of the first university degree, whichever comes first; all daughters if unmarried, widowed, or divorced; brothers (under age 18) who were supported by the insured; sisters supported by the insured; parents; and an unborn child.

The pension for the widow, daughter(s), or sister(s) is suspended on marriage but is resumed if subsequently widowed or divorced.

**Funeral grant:** 150 dinars.

Since January 1, 1996, all pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

### ***Administrative Organization***

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.