

Jordan

Exchange rate: U.S.\$1.00 equals 0.70 dinars.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1978.

Current law: 2001.

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.

Exclusions: Public employees covered under civil or military pension laws, foreign employees serving in international organizations or foreign political or military missions, and casual workers.

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.

Source of Funds

Insured person: 5.5% of wage; insured workers can contribute additional amounts to receive credits for previous work periods not covered.

Employer: 9% of payroll.

Government: Any deficit.

Qualifying Conditions

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

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

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

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

Survivor pension: The deceased insured had 24 months of contributions of which 12 months were continuous.

Old-Age Benefits

Old-age pension: 2.5% of average monthly wages in the last 2 years times the number of years of contributions.

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

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

Early pension: 2.5% of the 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 of retirement.

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 the average annual wage in the last 2 years for each year of contributions, or, 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 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.

All pension benefits are increased by 10% of the pension value between 30 and 50 dinars.

Permanent Disability Benefits

Disability pension: 50% of the average monthly wage in the last 36 months of contributions.

The pension is increased by 0.5% for each full year of contributions if the insured person has at least 60 months of contributions; 1.5% for each full year if the total contribution period amounts to 120 months.

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

All pension benefits are increased by 10% of the pension value between 30 and 50 dinars.

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 the widow; an unborn child; a dependent disabled widower; dependent daughters if unmarried, widowed, or divorced; and parents.

Entitlement to the survivor pension for widows, daughters, or sisters ceases on marriage but may be reinstated if subsequently divorced.

Other eligible survivors (in the absence of the above): Dependent sisters, sons, and brothers under age 18 (no limit if disabled) at the time of the insured's death; age 26 if a student, or until the completion of the first university degree, whichever comes first.

The pension is increased by 0.5% for each full year of contributions made by the deceased if the deceased had at least 60 months of contributions; 1.5% for each full year if the total contribution period amounts to 120 months.

Funeral grant: 150 dinars.

All pension benefits are increased by 10% of the pension value between 30 and 50 dinars.

Administrative Organization

Social Security Corporation administers the program.

Work Injury

Regulatory Framework

First law: 1978.

Current law: 2001.

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.

Exclusions: Public employees covered under civil or military pension law, foreign employees of international organizations or foreign political or military missions, and casual workers.

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.

Source of Funds

Insured person: None.

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

Government: Any deficit.

Qualifying Conditions

Work injury benefits: No minimum qualifying period.

Temporary Disability Benefits

75% of the daily wage (65% if receiving treatment in specified medical institutions) for the duration of the disability, or until recovery, certification of permanent disability, or death.

Permanent Disability Benefits

Permanent disability pension: If totally disabled, 75% of the covered monthly wage.

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

Partial disability: If 30% disabled or more, a percentage of the total disability pension according to degree of disability multiplied by the monthly wage. If less than 30% disabled, a lump sum equal to 36 monthly wages multiplied by the degree of disability, multiplied by 75%, multiplied by the covered wage.

Workers' Medical Benefits

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

Survivor Benefits

Survivor pension: 60% of the covered monthly wage is payable to a widow; an unborn child; a dependent disabled widower; dependent daughters if unmarried, widowed, or divorced; and parents.

Entitlement to the survivor pension for widows, daughters, or sisters ceases on marriage but may be reinstated if they are subsequently divorced.

Other eligible survivors (in the absence of the above): Dependent sisters, sons, and brothers under age 18 (no limit if disabled) at the time of the insured's death; age 26 if a student, or until the completion of the first university degree, whichever comes first.

Funeral grant: 150 dinars.

All pension benefits are increased by 10% of the pension value between 30 and 50 dinars.

Administrative Organization

Social Security Corporation administers the program.