

Saudi Arabia

Exchange rate: US\$1.00 equals 3.74 riyals.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1962 (social insurance), implemented in 1973.

Current law: 2000 (social insurance), implemented in 2001.

Type of program: Social insurance system.

Coverage

Saudi employees in the public and private sectors.

Voluntary coverage for self-employed persons, those working abroad, and those who no longer satisfy the conditions for compulsory coverage.

Exclusions: Agricultural workers, fishermen, domestic servants, family labor, and foreign workers. (Subject to certain conditions, excluded workers may receive coverage.)

Special system for civil servants and military personnel.

Source of Funds

Insured person: 9% of gross earnings.

The minimum monthly earnings for contribution and benefit purposes are 1,500 riyals.

The maximum monthly earnings for contribution and benefit purposes are 45,000 riyals.

Self-employed person: 9% of declared income.

The minimum monthly earnings for contribution and benefit purposes are 1,500 riyals.

The maximum monthly earnings for contribution and benefit purposes are 45,000 riyals.

Employer: 9% of payroll.

The minimum monthly earnings for contribution and benefit purposes are 1,500 riyals.

The maximum monthly earnings for contribution and benefit purposes are 45,000 riyals.

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

Qualifying Conditions

Old-age pension: Age 60 (men) or age 55 (women) with at least 120 months of paid or credited contributions (credited contributions must not exceed 60 months).

Age 55 (men) with at least 120 months of contributions if engaged in arduous or unhealthy work.

Early pension: At any age with at least 300 months of contributions and if no longer covered by the program; at least 120 months of contribution if sentenced to prison for 1 or more years.

Retirement from covered employment is necessary.

Old-age pensions are not payable abroad.

Old-age settlement: Paid if the insured does not satisfy the qualifying conditions for an old-age pension.

Disability pension: Assessed with an incapacity for any work before age 60. Must have 12 consecutive months of contributions or 18 nonconsecutive months of contributions (24 consecutive months of contributions or 36 nonconsecutive months of contributions for voluntarily insured persons who first joined the scheme when aged 50 or older and who have lost more than 2/3 of their earning capacity). The disability must begin while the insured is in covered employment.

If the insured is no longer in covered employment when the disability begins, the pension is paid with at least 120 months of paid or credited contributions (credited contributions must not exceed 60 months).

Disability settlement: Paid if the insured does not satisfy the qualifying conditions for a disability pension.

Survivor pension: The deceased was in covered employment at the time of death and had 3 consecutive months of contributions or 6 nonconsecutive months of contributions (12 consecutive months of contributions or 18 nonconsecutive months of contributions for voluntarily insured persons who first joined the scheme when aged 50 or older); or was a pensioner.

If the deceased was no longer in covered employment at the time of death and was not a pensioner, the pension is paid with at least 120 months of paid or credited contributions (credited contributions must not exceed 60 months).

Eligible survivors include the widow(er); a dependent son younger than age 20 (age 25 if a full-time student); a dependent unmarried daughter; and brothers, sisters, parents, grandparents, and grandchildren in certain circumstances.

The survivor pension is not payable abroad.

Survivor settlement: Paid to eligible survivors if the deceased did not satisfy the qualifying conditions for a pension.

The survivor settlement is payable abroad.

Old-Age Benefits

Old-age pension: The pension is based on 2.5% of the insured's average monthly earnings during the last 2 years for each year of contributions, up to 100%.

The average monthly earnings for benefit calculation purposes must not exceed 150% of the insured's monthly earnings at the beginning of the last 5-year contribution period.

If the insured's monthly earnings decrease during the last 2 years before retirement, special provisions apply to adjust the average monthly earnings used for benefit calculation purposes.

Early pension: Calculated in the same way as the old-age pension.

The minimum pension is 1,725 riyals.

Old-age settlement: A lump sum is paid equal to 10% of the insured's average monthly earnings during the last 2 years before retirement for each month of the first 5 years of contributions plus 12% for each additional month.

Permanent Disability Benefits

Disability pension: If the insured was in covered employment when the disability began and the assessed degree of disability is at least 50%, the pension is equal to 2.5% of the insured's average monthly earnings during the last 2 years for each year of contributions, up to 100%.

The average monthly earnings for benefit calculation purposes must not exceed 150% of the insured's monthly earnings at the beginning of the last 5-year contribution period.

If the insured's monthly earnings decrease during the last 2 years before the disability began, special provisions apply to adjust the average monthly earnings used for benefit calculation purposes.

The minimum pension is equal to the insured's average monthly earnings or 1,725 riyals, whichever is greater.

Constant-attendance supplement: 50% of the disability pension is paid if the insured requires the help of others to complete daily tasks. The need for constant attendance is assessed by a General Organization for Social Insurance medical board.

Partial disability: A lump sum is paid for an assessed degree of disability of less than 50%.

Disability settlement: A lump sum is paid equal to 10% of the insured's average monthly earnings during the last 2 years before the disability began for each month of the first 5 years of contribution plus 12% for each additional month.

Survivor Benefits

Survivor pension: If there are three or more survivors, the pension is equal to 100% of the pension paid or payable to the deceased; 75% for two dependents; 50% for one dependent. The pension is split equally among all eligible survivors.

The minimum individual survivor pension is 345 riyals.

The minimum combined survivor pension is 1,725 riyals or the deceased's average monthly earnings used for pension calculation purposes, whichever is greater.

The pension for a female survivor ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

Survivor settlement: A lump sum equal to 10% of the insured's average monthly earnings during the last 2 years before death for each month of the first 5 years of contributions plus 12% for each additional month.

Marriage grant: The survivor pension for a widow or an eligible daughter, sister, or granddaughter ceases on marriage and a grant is paid equal to 18 times her monthly survivor pension.

Death grant: A lump sum equal to 3 months' pension is split equally among eligible survivors.

The maximum death grant is 10,000 riyals.

Administrative Organization

Ministry of Labor (<http://www.mol.gov.sa>) provides general supervision.

Managed by a tripartite board, the Annuities Branch of the General Organization for Social Insurance (<http://www.gosi.gov.sa>) administers the program through district offices.

Sickness and Maternity

Regulatory Framework

No statutory social security benefits are provided for sickness and maternity.

The 1969 Social Insurance 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.

Employers are also required to pay between 50% and 100% of wages (depending on the period of employment) to female employees for a maternity leave period of up to 10 weeks.

Work Injury

Regulatory Framework

First law: 1947.

Current law: 2000 (social insurance), implemented in 2001.

Type of program: Social insurance system.

Coverage

Saudi and non-Saudi employees in the private sector.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 2% of payroll.

The minimum monthly earnings for contribution and benefit purposes are 400 riyals.

The maximum monthly earnings for contribution and benefit purposes are 45,000 riyals.

Government: An annual subsidy and any operating deficit.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period for a work injury or an occupational disease. Accidents that occur while commuting to and from work are covered.

Temporary Disability Benefits

The benefit is equal to 100% of the insured's daily wage; 75% if receiving inpatient treatment in a medical center at the expense of the General Organization for Social Insurance. The benefit is paid for each day until the insured is able to resume work.

Permanent Disability Benefits

Permanent disability pension: If assessed as totally disabled, Saudi insured persons receive 100% of average monthly earnings.

Average monthly earnings are based on the 3-month period immediately before the onset of disability.

The minimum monthly pension is 1,725 riyals.

If assessed as totally disabled, non-Saudi insured persons receive a lump sum equal to 84 months' permanent disability pension, up to a maximum of 330,000 riyals.

Constant-attendance supplement: 50% of the disability pension is paid (up to a maximum of 3,500 riyals) if the insured requires the help of others to complete daily tasks. The need for constant attendance is assessed by a General Organization for Social Insurance medical board.

Partial disability: Saudi insured persons receive a lump sum calculated on the basis of a percentage of the full pension according to the assessed degree of disability. For an assessed degree of disability of less than 50% that began when the insured was aged 40 or younger, the lump sum is equal to 60 months' pension times the assessed degree of disability; if the disability began when the insured was older than age 40, the lump sum is reduced by 1 month's pension for each year older than age 40.

The minimum partial disability lump sum is based on 36 months' pension.

The maximum partial disability lump sum is 165,000 riyals.

If assessed as partially disabled, non-Saudi insured persons receive a lump-sum equal to 60 months' pension times the assessed degree of disability, up to a maximum of 165,000 riyals.

The degree of disability is assessed by a General Organization for Social Insurance medical board.

Workers' Medical Benefits

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

Survivor Benefits

Survivor pension: If there are three or more survivors, the pension is equal to 100% of the pension paid or payable to the deceased; 75% for two dependents; 50% for one dependent. The pension is split equally among all eligible survivors.

The minimum combined survivor pension is 1,725 riyals.

The pension for a female survivor ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

Eligible survivors include dependent sons, brothers, and grandsons of the deceased younger than age 21 (age 26 if a full-time student); a widow, unmarried daughters, sisters, and granddaughters; parents; and grandparents.

Marriage grant: The survivor pension for a widow or an eligible daughter, sister, or granddaughter ceases on marriage and a grant is paid equal to 18 times her monthly survivor pension.

Death grant: A lump sum equal to 3 months' pension is split equally among eligible survivors.

The maximum death grant is 10,000 riyals.

Administrative Organization

Ministry of Labor and Social Affairs (<http://www.mol.gov.sa>) provides general supervision.

Managed by a tripartite board, the Occupational Hazards Branch of the General Organization for Social Insurance (<http://www.gosi.com.sa>) administers the program through district offices.