

Bahrain

Exchange rate: U.S.\$1.00 equals 0.37 dinars.

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1976, with amendments.

Type of program: Social insurance system.

Coverage

Bahraini employed persons in establishments with 10 employees or more; workers in establishments with fewer than 10 employees may contribute voluntarily.

Exclusions: Domestic servants, certain groups of agricultural employees, casual workers, the self-employed, and temporary noncitizen workers.

Special system for public employees.

Voluntary coverage is available for persons with 5 years or more of previous compulsory social security coverage but who no longer are covered on a compulsory basis.

Voluntary coverage for employers and the self-employed.

Source of Funds

Insured person: 5% of earnings; previously insured persons may contribute 12% of their declared income on a voluntary basis. The self-employed may voluntarily contribute 12% of monthly income between lower and upper limits of 200 dinars and 500 dinars, respectively. The upper limit for monthly income may be increased by no more than 5% of monthly income annually up to a final ceiling of 1,000 dinars.

Employer: 7% of payroll.

Government: None.

Qualifying Conditions

Old-age pension

Men: After age 60, with 10 years of coverage; age 60, with 15 years of coverage; before age 60, with 20 years of coverage.

Women: Age 55 and older, with 10 years of coverage; before age 55, with 15 years of coverage.

Reduced pension: A reduced pension is available before age 60 (men) with 240 months of contribution or before age 55 (women) with 180 months of contributions.

Retirement from usual employment is necessary. Retirees are allowed to combine pension income and earned income from a new employment position provided that total income does not exceed the level of income earned at the time of retirement.

Disability pension: Six months' continuous coverage before the onset of the disability (3 months' continuous coverage with a total of 12 months of contributions), for men before age 60 and for women before age 55.

Survivor pension: Insured met the qualifying conditions for a pension or was a pensioner at the time of death and had coverage for 6 consecutive months before death (3 months' coverage with a total of 12 months of contributions). Also if the disability or death occurs within 1 year following the termination of employment.

Old-Age Benefits

Old-age pension: 2% of average earnings in the last 2 years times the number of years of contributions (with an additional 5 years credited for those retiring at age 60 or older up to a maximum of 30 years).

Minimum pension: The average contributory wage during the last 2 years or 150 dinars, whichever is less. The contributory wage is equal to the total monthly wage received in January of each year.

Reduced pension: The pension is reduced by 20% if the insured person retires before age 45, by 15% if between ages 45 and 49, and by 10% if between ages 50 and 54.

Supplement for pensioner and dependents: A variable amount to raise the pension benefit to 30 dinars for each dependent family member, including the pensioner, provided that the total benefit income does not exceed the average contributory wage (the total monthly wage received in January of each year) during the last 2 years.

Old-age settlement: If ineligible for an old-age pension, a lump sum equal to 15% of average earnings in the last 2 years, multiplied by 12 times the number of years of contributions, plus 5% interest from the date coverage stops until the date the settlement is paid.

Permanent Disability Benefits

Disability pension: 2% of average monthly earnings in the previous year times the number of years of contributions.

The minimum pension is equal to 44% or 46% of average monthly earnings in the last year of contribution or 150 dinars, whichever is higher; or the contributory wage, if less. The contributory wage is equal to the total monthly wage received in January of each year.

The maximum pension is equal to 88% of average monthly earnings in the last year of contribution.

Supplement for pensioner and dependents: A variable amount raising pension benefit to 30 dinars for each dependent family member, including the pensioner, provided that the total benefit income does not exceed the average contributory wage during the last year. The contributory wage is equal to the total monthly wage received in January of each year.

Disability settlement: If ineligible for a disability pension, a lump sum equal to 15% of average earnings in the last 2 years,

multiplied by 12 times the number of years of contributions, plus 5% interest from the date the insured ceased employment because of the onset of disability until the date the settlement is paid.

Survivor Benefits

Survivor pension

Widow's pension: 37.5% of the insured's pension.

Orphan's pension: 50% of the insured's pension (100% for a full orphan) divided equally among the insured's children (a son must be under age 22; under age 26 if a student in higher education).

Other eligible survivors (in the absence of the above): 12.5% of the insured's pension is divided equally among dependent parents, brothers, and sisters.

The minimum benefit is 30 dinars a month.

The maximum benefit is 100% of the insured's average earnings. For any years of coverage in excess of the number of years needed to obtain the maximum benefit, a lump-sum payment equal to 11% of annual earnings of each excess year is awarded.

Supplement for pensioner and dependents: A variable amount raising the pension benefit to 30 dinars for each dependent family member, including the pensioner.

Marriage grant: A marriage grant equal to 15 times the monthly pension is awarded upon marriage to each female heir who is currently receiving a pension. The marriage grant is paid only once. Entitlement to a survivor pension for widows, daughters, or sisters ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

Survivor settlement: If the deceased was not a pensioner or did not meet the qualifying conditions for a pension, a lump sum equal to 15% of the deceased's average earnings in the last 2 years, multiplied by 12 times the number of years of contributions, plus 5% interest from the date of death until the date the settlement is paid.

Death grant: Six months' earnings or pension, plus 300 dinars for funeral expenses; 400 dinars if the insured died abroad and is brought back to Bahrain to be buried.

Administrative Organization

Minister of Labor and Social Affairs provides general supervision.

General Organization for Social Insurance, managed by a board of directors, administers the program.

Work Injury

Regulatory Framework

First and current law: 1976.

Type of program: Social insurance system.

Coverage

Employed persons in establishments with 10 workers or more.

Exclusions: Domestic servants, casual employees, those engaged in family labor, the self-employed, and agricultural workers.

Special system for public employees.

Source of Funds

Insured person: None.

Employer: 3% of payroll; 1% if the employer pays cash benefits to an insured worker who is receiving medical treatment and pays the insured's transportation expenses to the place of treatment; provides medical care to insured workers in employer-owned hospital facilities.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of average daily earnings. The first day of incapacity is payable by the employer; thereafter, benefit is payable by the General Organization for Social Insurance until recovery or certification of permanent disability.

Permanent Disability Benefits

Permanent disability pension: 88% or 92% of average monthly earnings if totally disabled.

The minimum pension is 150 dinars a month or 100% of the contributory wage, whichever is less. The contributory wage is equal to the total monthly wage received in January of each year.

Partial disability: A percentage of the full pension proportionate to the degree of disability. For a loss of capacity of less than 30%, a lump sum equal to 36 times the monthly benefit for permanent disability multiplied by the actual percentage of the disability.

Supplement for pensioner and dependents: A variable amount to raise the pension benefit to 30 dinars for each dependent family member, including the pensioner.

Workers' Medical Benefits

Medical and surgical care, hospitalization, drugs, appliances, rehabilitation, transportation, diagnostic examinations, and dental care inside or outside Bahrain.

Survivor Benefits

Survivor pension

Calculated on the basis of between 88% and 92% of the insured's average monthly earnings.

Widow's pension: 37.5% of the insured's pension.

Orphan's pension: 50% of the insured's pension divided equally among the insured's children (a son must be under age 22; age 26 if a student in higher education).

Other eligible survivors (in the absence of the above): 12.5% of the insured's pension is divided equally among dependent parents, brothers, and sisters.

Supplement for pensioner and dependents: A variable amount to raise the pension benefit to 30 dinars for each dependent family member, including the pensioner.

The minimum benefit is 150 dinars a month.

The maximum benefit is 100% of the pension.

Marriage grant: A marriage grant equal to 15 times the monthly pension is awarded upon marriage to each female heir who is currently receiving a pension. The marriage grant is paid only once. Entitlement to a survivor pension for widows, daughters, or sisters ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

Death grant: Six months' earnings or pension, plus 300 dinars for funeral expenses; 400 dinars if the insured died abroad or is buried abroad.

Administrative Organization

Minister of Labor and Social Affairs provides general supervision.

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