

Jordan

Exchange rate: US\$1.00 = 0.71 dinars.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1978.

Previous law: 2001 (social security).

Current law: 2010 (social security).

Type of program: Social insurance system.

Coverage

Employees older than age 16 working in private establishments with at least 5 workers (coverage is being extended gradually starting from the Aqaba Special Economic Zone to cover all governorates by end of 2011); government and public-sector employees hired since 1995; employees of universities, municipalities, and village councils; and Jordanian citizens working at diplomatic missions or for international organizations.

Self-employed persons may contribute voluntarily in certain circumstances.

Voluntary coverage for all Jordanian citizens residing in the Kingdom or abroad who cease to be compulsorily covered, subject to a minimum wage and a maximum wage. Voluntary coverage is being extended in 2010 to non-working citizens, including housewives and students.

Exclusions: Civil servants hired before 1995 and military staff hired before 2003; foreign employees in international organizations or foreign political or military missions; and casual labor.

Special systems for public-sector employees covered under civil or military pension laws.

Source of Funds

Insured person: 5.5% of gross monthly earnings; insured workers can also contribute for previous uncovered work periods.

The maximum earnings used to calculate contributions for insured persons who joined the scheme after the 2010 law was implemented is 5 times the national average wage or 5,000 dinars.

Voluntary contributors pay 14.5% of monthly earnings between the national minimum wage and 5 times the national average wage.

Self-employed person: 14.5% of monthly earnings between the national minimum wage and 5 times the national average wage.

Employer: 9% of monthly payroll.

The maximum earnings used to calculate contributions for insured persons who joined the scheme after the 2010 law was implemented is 5 times the national average wage or 5,000 dinars.

Government: Any deficit.

Qualifying Conditions

Old-age pension: Age 60 (men) or age 55 (women) with at least 15 years of coverage, including 7 years of paid contributions (excluding purchased contributions for uncovered employment periods).

An insured person with a minimum number of months of coverage at the normal retirement age may continue to contribute up to age 65 (men) or age 60 (women) to either meet the qualifying conditions for, or increase the value of, the old-age pension.

Dependent's supplement: Eligible dependents are a dependent wife; a dependent husband with a disability; a son up to age 23 or disabled; an unmarried dependent daughter; and dependent parents, brothers, and sisters.

Early pension (for those covered before June 10, 2009): Age 50 (men and women) with at least 25 years (men) or 22 years (women) of contributions.

Early pension for hazardous occupations: Age 45 with at least 18 years (men) or 15 years (women) of contributions.

Early pensions are also paid to certain groups before age 50, depending on the insured's age on January 1, 2011, and on the insured's gender and contribution period.

Benefits are payable abroad.

Disability pension: The insured must be assessed with a total or partial incapacity for work and have at least 60 months of contributions, including 36 consecutive months.

The Central Medical Committee and Appeals Medical Committee assess the degree of disability.

Benefits are payable abroad.

Survivor pension: The deceased had at least 24 months of contributions, including 6 consecutive months. If more than one survivor is eligible, the pension is split between survivors according to a schedule in law.

Eligible survivors include a widow; a disabled widower; the insured's male children up to age 23; all dependent daughters if unmarried, widowed, or divorced; dependent brothers younger than age 18; dependent sisters; parents; and an unborn child.

The pension for a widow, daughter, or sister is suspended on marriage, but is resumed if she is subsequently widowed or divorced.

Benefits are payable abroad.

Funeral grant: Paid for the death of an insured person.

Old-Age Benefits

Old-age pension: 2.5% of the insured's average monthly earnings in the last 2 years multiplied by the number of years of contributions is paid.

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

Dependent's supplement: The pension is increased by 10% for the first dependent and 5% each for the second and third, up to 20% of the pension.

Early pension: The pension is reduced proportionally and is based on the last 60 months of contributions and the insured person's age at application.

If an insured person is not entitled to an old-age pension at retirement age, a lump sum is paid of 10% of the insured's average annual earnings for each year of contributions for less than 10 years of contributions; 12% of the insured's average annual earnings for each year of contributions for 10 to 18 years of contributions; or 15% of the insured's average annual earnings for each year of contributions for more than 18 years of contributions.

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

All newly awarded pension benefits are increased by 40 dinars, except for the early pension, which is increased at the normal retirement age.

Benefit adjustment: Pensions are indexed in March every year to inflation or the annual growth in the national average wage, whichever is lower, but may not increase more than 20 dinars. Early pensioners are not eligible for an adjustment until the normal retirement age.

Permanent Disability Benefits

Disability pension: 50% of the insured's average monthly earnings in the last 36 months is paid for the first 1,500 dinars of earnings, plus 30% of the amount above 1,500 dinars.

The pension is increased by 0.5% for each full year of contributions if the insured has 60 months to 119 months of contributions; by 1% for each full year of contributions if the insured has at least 120 months of contributions.

Constant-attendance allowance: 25% of the pension is paid.

All newly awarded pension benefits are increased by 40 dinars.

There is no maximum pension.

Benefit adjustment: Pensions are indexed in March every year to inflation or the annual growth in the national average wage, whichever is lower, but may not increase more than 20 dinars.

Survivor Benefits

Survivor pension: 50% of the insured's average monthly earnings in the last year of contributions is paid for the first 1,500 dinars of earnings, plus 30% of the amount above 1,500 dinars; or 100% of the insured's pension if the deceased was a pensioner.

The pension is increased by 0.5% for each full year of contributions if the deceased had 60 to 119 months of contributions; by 1% for each full year of contributions if the deceased had at least 120 months of contributions.

All newly awarded pension benefits are increased by 40 dinars.

Benefit adjustment: Pensions are indexed in March every year to inflation or the annual growth in the national average wage, whichever is lower, but may not increase more than 20 dinars.

Funeral grant: 500 dinars is paid.

Administrative Organization

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

Sickness and Maternity

Regulatory Framework

First law: 1978.

Current law: 2010 (social security), to be implemented in 2011.

Type of program: Social insurance system (cash maternity benefits only).

Coverage

Employees older than age 16 working in private establishments with at least 5 workers.

Exclusions: Self-employed persons, voluntary contributors, and certain categories of government and public-sector employees as determined by the Board of Directors of the Social Security Corporation.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 0.75% of monthly payroll.

Government: Any deficit.

Qualifying Conditions

Cash maternity benefits: Must have at least 9 months of coverage before childbirth.

Sickness and Maternity Benefits

Cash maternity benefits: 100% of the insured's last monthly earnings is paid for up to 10 weeks.

Administrative Organization

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

Work Injury

Regulatory Framework

First law: 1978.

Current law: 2010 (social security), to be implemented in 2011.

Type of program: Social insurance system.

Coverage

Employees older than age 16 working in private establishments with at least 5 workers (coverage is being extended gradually starting from the Aqaba Special Economic Zone to cover all governorates by end of 2011); employers; government and public-sector employees not covered under civil or military pension laws; employees of universities, municipalities, and village councils; Jordanian citizens working at diplomatic missions or for international organizations; and apprentices younger than age 16.

Exclusions: Civil servants hired before 1995 and military staff hired before 2003; foreign employees in international organizations or foreign political or military missions; self-employed persons; and casual labor. (A law on coverage for household workers has yet to be implemented.)

Special systems for public-sector employees covered under civil or military pension laws.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: At least 2% of monthly 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; may be increased up to 4% depending on the employer's implementation of occupational health and safety standards and sector risk). 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 earnings is paid until the insured resumes work, is assessed with a permanent disability, or dies. The employer pays the earnings for the day the accident occurred; thereafter, the Social Security Corporation.

Permanent Disability Benefits

Permanent disability pension: If the insured is assessed with a total disability, 75% of the monthly earnings on the day of the injury is paid.

Constant-attendance allowance: 25% of the pension is paid.

Partial disability: If assessed with a disability of less than 30%, a lump sum is paid of the total disability pension (75% of monthly earnings on the day of the injury) multiplied by the percentage of the assessed degree of disability multiplied by 36 months of earnings.

The Medical Committee and Appeal Committee are responsible for assessing the degree of disability.

Workers' Medical Benefits

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

Survivor Benefits

Survivor pension: 75% of the covered monthly earnings on the day of the injury is paid. If there is more than one eligible survivor, the pension is split according to a schedule in law.

Eligible survivors include a widow; a disabled widower; 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; dependent brothers younger than age 18; dependent sisters; parents; and an unborn child.

The pension for a widow, daughter, or sister is suspended on marriage but is resumed if she is subsequently widowed or divorced.

All newly awarded pension benefits are increased by 40 dinars.

Funeral grant: 500 dinars is paid.

Administrative Organization

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

Unemployment

Regulatory Framework

First law: 1978.

Current law: 2010 (social security), to be implemented in 2011.

Type of program: Social insurance system.

Coverage

Employees older than age 16 working in private establishments with at least 5 workers.

Exclusions: Self-employed persons, voluntary contributors, and certain categories of government and public-sector employees as decided by the Board of Directors of the Social Security Corporation.

Source of Funds

Insured person: 0.5% of monthly earnings.

Self-employed person: Not applicable.

Employer: 1% of monthly payroll.

Government: Any deficit.

Qualifying Conditions

Unemployment cash benefits: Must have at least 36 months of coverage by old-age insurance before the date of entitlement to unemployment benefits.

Unemployment Benefits

Unemployment cash benefits: Paid for up to 3 months with contributions of less than 180 months; up to 6 months with contributions of 180 months or more. 75% of the covered wage is paid for the first month; 65% for the second month; 55% for the third month; and 45% for the fourth to sixth months.

Administrative Organization

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