

## Saudi Arabia

Exchange rate: US\$1.00 equals 3.75 riyals.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1969 (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 persons who are self-employed, are working abroad, or no longer satisfy the conditions for compulsory coverage.

Exclusions: Agricultural workers, fishermen, household workers, family labor, and foreign workers. Subject to certain conditions, excluded workers may receive coverage.

Special system for civil servants and military personnel. Under certain conditions, former contributors under the civil and military scheme may request to have contribution periods credited toward the public social insurance scheme.

#### Source of Funds

**Insured person:** 9% of gross earnings.

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

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

**Self-employed person:** 18% of declared income.

The minimum monthly earnings for contribution calculation purposes are 1,200 riyals.

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

**Employer:** 9% of payroll.

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

The maximum monthly earnings for contribution calculation 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 settlement:** Paid if the insured does not satisfy the qualifying conditions for an old-age pension.

**Disability pension:** Assessed with an incapacity to work before age 60. Must have at least 12 consecutive months of contributions or 18 nonconsecutive months of contributions (twice this amount for voluntarily insured persons who joined the scheme at age 50 or older). The disability must begin while the insured is in covered employment.

If 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 or 18 nonconsecutive months 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 21 (age 26 if a full-time student); a dependent, unmarried daughter; and brothers, sisters, parents, grandparents, and grandchildren in certain circumstances.

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

#### 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 minimum monthly earnings for benefit calculation purposes are 1,500 riyals (1,200 riyals for self-employed persons).

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

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, 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 minimum monthly earnings for benefit calculation purposes are 1,500 riyals (1,200 riyals for self-employed persons).

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

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.

**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:** Upon marriage, the survivor pension for a widow or an eligible daughter, sister, or granddaughter ceases, 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.

The General Organization for Social Insurance (<http://www.gosi.gov.sa>) administers the law and program through district offices.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1969 (social insurance), implemented in 1973.

**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 calculation purposes are 400 riyals.

The maximum monthly earnings for contribution calculation 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 disability began.

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 330,000 riyals.

**Constant-attendance supplement:** 50% of the disability pension is paid (up to 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:** If assessed with a disability of less than 50%, Saudi insured persons receive a lump sum calculated based on a percentage of the full pension according to the assessed degree of disability and age. 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 multiplied by 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 of 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 with a disability between 50% and 99%, Saudi insured persons receive a pension equal to the permanent disability pension amount (see above) multiplied by the assessed degree of disability.

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 345 riyals.

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:** Upon marriage, the survivor pension for a widow or an eligible daughter, sister, or granddaughter ceases 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.

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