

Saudi Arabia

US\$1.00 = 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

Private-sector and some categories of public-sector Saudi workers.

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. Excluded workers may be covered under certain conditions.

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 and vice versa.

Source of Funds

Insured person: 9% of gross earnings.

The minimum monthly earnings used to calculate contributions are 1,500 riyals.

The maximum monthly earnings used to calculate contributions are 45,000 riyals.

Self-employed person: 18% of declared income.

The minimum monthly earnings used to calculate contributions are 1,200 riyals.

The maximum monthly earnings used to calculate contributions are 45,000 riyals.

Employer: 9% of payroll.

The minimum monthly earnings used to calculate contributions are 1,500 riyals.

The maximum monthly earnings used to calculate contributions are 45,000 riyals.

Government: 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; at any age (men and women) with at least 300 months of contributions.

Employment must cease.

Old-age settlement: Paid if the insured does not meet 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 began while the insured was in covered employment.

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

Constant-attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions. The General Organization for Social Insurance's medical board assesses the need for constant attendance.

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

Survivor pension: The deceased was in covered employment at the time of death and had three consecutive months of contributions or six 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 son younger than age 21 (age 26 if a full-time student, no limit if unable to engage in any occupation); an unmarried daughter; dependent brothers, sisters, parents, grandparents, and grandchildren in certain circumstances; and an ex-wife (according to Islamic law).

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

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

Marriage grant: Paid upon marriage to a widow or an eligible daughter, sister, or granddaughter.

Death grant: Paid to eligible survivors.

Old-Age Benefits

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

The average monthly earning used to calculate benefits must not exceed 150% of the insured's monthly earnings at the beginning of the last five-year contribution period.

If the insured's monthly earnings decrease during the last two years before retirement, special provisions apply to adjust the average monthly earnings used to calculate benefits.

The minimum pension is 1,725 riyals a month.

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

Cost of living allowance: 15% of the first 25,000 riyals of the pension benefit is paid for a period of 12 months (March 2012).

Permanent Disability Benefits

Disability pension: If the insured was in covered employment when the disability began, the pension is 2.5% of the insured's average monthly earnings during the last two years for each year of contributions, up to 100%, or 50% of the insured's average monthly earnings during the last two years, whichever is greater.

The average monthly earnings used to calculate benefits must not exceed 150% of the insured's monthly earnings at the beginning of the last five-year contribution period.

If the insured's monthly earnings decrease during the last two years before the disability began, special provisions apply to adjust the average monthly earnings used to calculate benefits.

The minimum pension is 1,725 riyals a month.

Constant-attendance supplement: 50% of the disability pension is paid.

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

Survivor Benefits

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

The amount of pension the deceased was eligible to receive depends on whether the deceased was a pensioner or in covered employment at the time of death.

The minimum individual survivor pension is 345 riyals a month.

The minimum combined survivor pension is 1,725 riyals a month.

Survivor settlement: A lump sum of 10% of the insured's average monthly earnings during the last two years before death is paid for each month of the first five years of contributions plus 12% for each additional month.

Marriage grant: A grant of 18 times the survivor's monthly pension is paid.

Death grant: A lump sum of three months of 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 program through district offices.

Work Injury

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

Private-sector Saudi and non-Saudi employees.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 2% of payroll.

The minimum monthly earnings used to calculate contributions are 400 riyals.

The maximum monthly earnings used to calculate contributions are 45,000 riyals.

Government: 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

100% of the insured's daily wage is paid for each day that the insured is not able to work; 75% if receiving inpatient treatment in a medical center at the expense of the General Organization for Social Insurance.

Permanent Disability Benefits

Permanent disability pension: For an assessed degree of disability of 100%, 100% of average monthly earnings is paid to insured Saudi workers; a lump sum of 84 months of the benefit paid to insured Saudi workers, up to 330,000 riyals, is paid to non-Saudi workers.

Average monthly earnings are based on the three-month period immediately before the disability began.

The minimum pension is 1,725 riyals a month.

Constant-attendance supplement: 50% of the disability pension is paid (up to 3,500 riyals) if the insured requires the constant attendance of others to perform daily functions. The General Organization for Social Insurance's medical board assesses the need for constant attendance.

Partial disability: If assessed with a degree of disability of 50% to 99%, a pension equal to the permanent disability pension amount multiplied by the assessed degree of disability is paid to insured Saudi workers; a lump sum of 60 months of the benefit paid to insured Saudi workers, up to 165,000 riyals, is paid to insured non-Saudi workers.

For an assessed degree of disability of less than 50% that began when the insured was aged 40 or younger, a lump sum of 60 months of permanent disability pension multiplied by the assessed degree of disability is paid; if the disability began when the insured was older than age 40, the lump sum is reduced by one month of pension for each year older than age 40.

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

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

The General Organization for Social Insurance's medical board assesses the degree of disability.

Workers' Medical Benefits

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

Survivor Benefits

Survivor pension: If there are three or more survivors, 100% of the pension the deceased received or was eligible to receive is paid; 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 a month.

The minimum combined survivor pension is 1,725 riyals a month.

Eligible survivors include the widow(er); a son younger than age 21 (age 26 if a full-time student, no limit if unable to engage in any occupation); an unmarried daughter; dependent brothers, sisters, parents, grandparents, and grandchildren in certain circumstances; and an ex-wife (according to Islamic law).

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

Marriage grant: A grant of 18 times the survivor's monthly pension is paid upon marriage to a widow or an eligible daughter, sister, or granddaughter.

Death grant: A lump sum of three months of 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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