

## Bahrain

Exchange rate: US\$1.00 equals 0.37 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1976 (social insurance), with amendments.

**Type of program:** Social insurance system.

#### Coverage

Bahraini employed persons in establishments with five employees or more; workers in establishments with fewer than five employees may contribute voluntarily. (From June 1, 2005, all establishments with one or more employees.)

**Exclusions:** Domestic servants, certain groups of agricultural employees, casual workers, temporary noncitizen workers, and other groups as specified in law.

Voluntary coverage for persons with 5 years or more of previous compulsory social security coverage but who are no longer covered on a compulsory basis. Voluntary coverage for the self-employed. Voluntary contributors are covered for old-age, disability, and survivor benefits.

**Special schemes:** Public-sector employees.

#### Source of Funds

**Insured person:** 5% of total monthly salary; insured persons who were previously compulsorily insured for at least 5 years contribute 12% of their declared monthly income on a voluntary basis.

**Self-employed person:** The self-employed contribute voluntarily 12% of monthly income. When contributions begin, a hypothetical monthly income is set between a minimum of 200 dinars and a maximum of 1,000 dinars. The amount may be increased or decreased annually by up to 5% but may not fall below the minimum of 200 dinars or exceed 1,500 dinars.

**Employer:** 7% of the employee monthly salary.

**Government:** None.

#### Qualifying Conditions

##### Old-age pension

**Men:** Age 60 with 15 years of coverage; after age 60, with 10 years of coverage and 36 consecutive monthly contributions in the last 5 years.

**Women:** Age 55 with 10 years of coverage; after age 55, with 10 years of coverage and 36 consecutive monthly contributions in the last 5 years.

**Early pension:** Regardless of age with 20 years of coverage (men) or 15 years of coverage (women).

**Lump-sum compensation for prolonged service:** For a contribution period beyond 40 years.

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

**Old-age settlement:** The insured is ineligible for an old-age pension.

**Disability pension:** The insured had at least 6 consecutive months of contributions immediately before the onset of disability; or 12 interrupted months of contributions, 3 months of which were consecutive and immediately before the onset of disability. The pension is also payable if the disability occurs within 1 year of the cessation of contributions. The insured must be younger than age 60 (men) or age 55 (women) at the onset of disability.

**Disability settlement:** The insured is ineligible for a disability pension.

**Survivor pension:** The insured was a pensioner at the time of death; had at least 6 consecutive months of contributions immediately before the date of death; or 12 nonconsecutive months of contributions, 3 months of which were consecutive and immediately before the date of death. The pension is also payable if death occurs within 1 year of the cessation of contributions, regardless of age.

**Lump-sum compensation for prolonged service:** Paid if the deceased had a contribution period beyond 40 years.

**Marriage grant:** A lump-sum grant is paid upon marriage to each female heir receiving a survivor pension. The 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.

If a widow remarries or dies after the death of her insured or pensioner spouse, her pension is paid to eligible sons and daughters.

A son's pension ceases at age 22 (no limit if disabled); upon earning a sum equal to the pension; or if in higher education, until age 26 or the end of education, whichever is earlier.

A daughter's pension ceases on marriage (or if she earns a sum equal to the pension) but will be reinstated if she is subsequently divorced or widowed.

**Survivor settlement:** The deceased was ineligible for a pension.

**Death grant:** Paid for the death of the insured or a pensioner.

#### Old-Age Benefits

**Old-age pension:** The monthly pension is 2% of the insured's monthly average earnings in the last 2 years times the number of years of contributions.

The maximum contribution period for pension calculation purposes is 40 years (a maximum of 5 years may be credited, but only up to a maximum contribution period of 30 years).

The minimum pension is the insured's average contributory wage during the last 2 years or 150 dinars a month, whichever is less. The contributory wage is equal to the total monthly wage received in January of each year. The minimum pension must be at least the equivalent of 30 dinars a month for every family member (including the pensioner) provided that the total does not exceed the average contributory wage over the last 2 years.

The maximum pension is 88% of average earnings, calculated as a base of 80% of average earnings plus an additional 10% of the pension (equal to 8% of average earnings) on which the pension is based.

Early pension: The pension is reduced by 20% if the insured retires before age 45, by 15% if aged 45 to 49, or by 10% if aged 50 to 54.

Lump-sum compensation for prolonged service: For a contribution period beyond 40 years, the insured is entitled to a lump sum equal to 11% of average earnings in the last 2 years for each contribution year beyond 40.

**Old-age settlement:** A lump sum equal to 15% of the insured's average monthly 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.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to changes in the cost of living.

### **Permanent Disability Benefits**

**Disability pension:** The pension is 44% of the insured's average monthly salary over the last year of contributions before the onset of disability or 2% of the insured's average salary during the last year of contributions times the number of years of contributions, whichever is higher.

The minimum pension is equal to 44% of the insured's average monthly earnings in the last year of contribution or 150 dinars, whichever is higher; an insured person with income less than 150 dinars qualifies for a pension equal to 100% of his or her average contributory wage in the last year.

The contributory wage is equal to the total monthly wage received in January of each year.

The maximum pension is 88% of average earnings, calculated as 80% of the insured's average earnings plus an additional 10% of the pension.

**Disability settlement:** A lump sum equal to 15% of the insured's monthly 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.

Benefits are payable abroad in limited circumstances.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to changes in the cost of living.

### **Survivor Benefits**

#### **Survivor pension**

*Widow's pension:* 37.5% of the insured's pension; 50% in the absence of orphans.

*Orphan's pension:* 50% of the insured's pension is divided equally among the insured's children (a son must be under age 22; under age 26 if a student in higher education) or 62.5% if there are no other eligible survivors except the widow.

In the absence of any other survivors, a full orphan receives 100% of the insured's pension; in the absence of a widow but with the presence of other eligible survivors (below), a full orphan receives 87.5%.

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

The minimum pension is 44% of the insured's average earnings in the last year of contribution or 150 dinars a month, whichever is higher; an insured person with income less than 150 dinars qualifies for a pension equal to 100% of his or her average contributory wage in the last year. The minimum pension must be at least 30 dinars a month for every surviving family member even if the total exceeds 44% of the insured's average earnings or 150 dinars, but the total cannot exceed the average contributory wage during the last year.

The maximum pension is 88% of average earnings, calculated as 80% of the insured's average earnings plus an additional 10% of the pension.

Lump-sum compensation for prolonged service: For a contribution period beyond 40 years, the survivor is entitled to a lump sum calculated at a rate of 11% of average earnings in the last 2 years for each contribution year beyond 40.

Survivor pensions are payable monthly.

Marriage grant: A lump-sum grant equal to 15 times the monthly pension is paid.

**Survivor settlement:** A lump sum equal to 15% of the deceased's monthly 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 (if in employment at the time of death) or pension (if retired) plus 300 dinars for funeral expenses; 400 dinars if the insured died abroad and regardless of the place of burial.

Benefits are payable abroad in limited circumstances.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to changes in the cost of living.

## Administrative Organization

Minister of Labor and Social Affairs (<http://www.bah-molsa.com>) provides general supervision.

Managed by a board of directors, the General Organization for Social Insurance (<http://www.gosi.org.bh>) administers the program.

## Work Injury

### Regulatory Framework

**First and current law:** 1976 (social insurance), with amendments.

**Type of program:** Social insurance system.

### Coverage

Employed persons in establishments with five employees or more. (From June 1, 2005, all establishments with one or more employees.)

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

Special schemes: Public-sector employees.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 3% of the employee basic salary; 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 or provides medical care to insured workers in employer-owned hospital facilities.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. The degree of disability is assessed by the Medical Committee. The General Organization for Social Insurance may request periodic medical examinations during the first 4 years of disability. The insured may also request medical reexamination during this period.

Survivor benefits are payable to the widow(er) and orphans. Other eligible survivors include dependent parents, brothers, and sisters. If a widow remarries or dies after the death of her insured or pensioner spouse, her share is paid to eligible sons and daughters. A daughter's pension ceases on marriage (or if she earns a sum equal to the pension) but will be reinstated if she is subsequently divorced or widowed.

## Temporary Disability Benefits

The daily allowance is 100% of the insured's contributory daily wage. The employer pays the wage for the day of the injury; thereafter, the benefit is paid by the General Organization for Social Insurance, until recovery or certification of permanent disability.

## Permanent Disability Benefits

**Permanent disability pension:** The base pension is 80% of the insured's last monthly earnings. In addition, a supplement equal to 15% of the pension is paid if the pension is less than 50 dinars a month; 10% if the pension is 50 dinars or more. If totally disabled, the total pension amounts to 88% or 92% of the insured's average monthly earnings.

The minimum pension is 150 dinars a month or 88% or 92% of the insured's contributory wage, whichever is higher; for those earnings less than 150 dinars, the pension equals 100% of his or her contributory wage. The contributory wage is equal to the insured's total monthly wage received in January of each year. The minimum pension for every family member (including the insured) must be at least 30 dinars a month, provided that the total does not exceed the insured's last contributory wage.

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

## 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

The base pension is 80% of the insured's last monthly earnings. In addition, a supplement equal to 15% of the pension is paid if the pension is less than 50 dinars a month; 10% if the pension is 50 dinars or more. The total pension amounts to 88% or 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 is divided equally among the insured's children (a son must be under age 22; age 26 if a student in higher education) or 62.5% if there are no other eligible survivors except the widow.

In the absence of any other survivors, a full orphan receives 100% of the insured's pension; in the absence of a widow but with the presence of other eligible survivors (below), a full orphan receives 87.5%.

**Other eligible survivors:** 12.5% of the insured's pension is divided equally among dependent parents, brothers, and sisters.

The minimum pension is 150 dinars a month or 88% or 92% of the insured's contributory wage, whichever is higher; for those who earned less than 150 dinars, the pension equals 100% of the deceased's contributory wage. The contributory wage is equal to the deceased's total monthly wage received in January of each year. The minimum pension for every family member must be at least 30 dinars a month, provided that the total does not exceed the insured's last contributory wage.

The maximum pension is 88% of average earnings, calculated as 80% of the insured's average earnings plus an additional 10% of the pension.

**Marriage grant:** A lump-sum grant equal to 15 times the monthly pension is awarded upon marriage to each female heir who is currently receiving a pension. The 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 (if employed at the time of death) or monthly pension (if retired at the time of death), plus 300 dinars for funeral expenses; 400 dinars if the insured died abroad and regardless of the place of burial. The grant is paid to the widow or the eldest son or his heirs.

**Benefit adjustment:** Benefits are adjusted by the government on an ad hoc basis according to changes in the cost of living.

### ***Administrative Organization***

Minister of Labor and Social Affairs  
(<http://www.bah-molsa.com>) provides general supervision.

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