

Bahrain

Exchange rate: US\$1.00 = 0.38 dinars.

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1976 (social insurance).

Type of program: Social insurance system.

Coverage

Employed Bahraini citizens working in establishments with at least one employee or in one of the Gulf Cooperation Council countries (Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates).

Voluntary coverage for persons with five or more years of previous compulsory social security coverage, self-employed persons, and other Bahraini citizens working abroad.

Exclusions: Household workers, certain groups of agricultural employees, casual workers, temporary noncitizen workers, and other groups specified by law.

Special system for public-sector employees.

Source of Funds

Insured person: 6% of total monthly earnings; 15% of declared monthly income for the voluntarily insured.

The maximum monthly earnings used to calculate contributions are 4,000 dinars.

Self-employed person: 15% of monthly income.

The monthly income used to calculate contributions is 200 dinars to 1,000 dinars (determined by the self-employed person when joining the system); may be increased or decreased annually by up to 5% but must be 200 dinars to 1,500 dinars.

Employer: 9% of the employee's monthly earnings.

The maximum monthly earnings used to calculate contributions are 4,000 dinars.

Government: None.

Qualifying Conditions

Old-age pension: Age 60 (men) or age 55 (women) with at least 10 years of coverage.

Early pension: At any age with at least 20 years of coverage (men) or 15 years of coverage (women).

Retirement from usual employment is necessary. Pensioners may work in a new job as long as the combined income

(pension plus employment) does not exceed the amount earned in the last job before retirement.

Compensation for prolonged service: Paid if the insured had more than 40 years of contributions.

Old-age settlement: Age 60 (men) or age 55 (women) and does not meet the contribution conditions for the old-age pension.

Disability pension: The insured was younger than age 60 (men) or age 55 (women) when the disability began and had at least six consecutive months of contributions immediately before the disability began or 12 nonconsecutive months of contributions with three months immediately before the disability began. The pension is also paid if the disability began within one year after ceasing contributions.

Disability settlement: Paid if the insured is ineligible for a disability pension.

Survivor pension: The insured was a pensioner at the time of death or had at least six consecutive months of contributions immediately before death or 12 nonconsecutive months of contributions with three months immediately before death. The pension is also paid if the insured dies within one year after ceasing contributions, regardless of age.

Eligible survivors include a widow, a widower with a disability, orphans, and the deceased's dependent parents, brothers, and sisters.

Entitlement to a survivor pension for widows, daughters, or sisters ceases on marriage but may be reinstated if the survivor subsequently divorces or is widowed.

Marriage grant: A lump sum is paid to each woman receiving a survivor pension who marries. The grant is paid to each survivor only once.

If a widow remarries or dies after the death of her insured or pensioner spouse, or if any of the survivors' pensions cease for any reason, the pension is redistributed to the remaining eligible survivors according to a schedule in law.

A son's pension ceases at age 22 (age 26 if a full-time student, no limit if disabled) or if personal earnings are at least equal to the pension. A daughter's pension ceases if personal earnings are at least equal to the pension.

Compensation for prolonged service: Paid if the deceased had more than 40 years of contributions.

Survivor settlement: Paid to survivors if the deceased was ineligible for a pension.

Eligible survivors include a widow, a widower with a disability, orphans, and the deceased's dependent parents, brothers, and sisters.

Death grant: Paid to eligible survivors according to a schedule in law when the insured or pensioner dies.

Funeral grant: Paid to a widow, the deceased's eldest son, or the person who paid for the funeral.

Old-Age Benefits

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

The maximum contribution period used to calculate the pension is 40 years (up to five years of credited contributions may be used to calculate the pension if the insured's total contribution period does not exceed 30 years).

The minimum pension is the insured's average contributory wage during the last two years or 200 dinars a month, whichever is less. The minimum pension for every family member (including the pensioner) must be at least 35 dinars a month; the combined total may not exceed the insured's average contributory wage over the last two years.

The contributory wage is the insured's total monthly wage received in January of each year.

The maximum pension is 80% of the insured's average earnings plus an additional 10% of the pension. Instead of an additional 10%, the pensioner may choose a lump sum of 3% of the average monthly earnings in the last two years multiplied by 12 times the number of years of coverage.

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.

Compensation for prolonged service: A lump sum of 11% of the insured's average earnings in the last two years is paid for each contribution year exceeding 40 years.

Old-age settlement: A lump sum of 15% of the insured's average monthly earnings in the last two years multiplied by 12 times the number of years of contributions plus 5% interest from the date contributions cease until the date the settlement is paid.

Benefit adjustment: Benefits are increased by 3% every January.

Permanent Disability Benefits

Disability pension: The pension is 44% of the insured's average monthly earnings in the last year of contributions before the disability began or 2% of the insured's average earnings during the last year of contributions multiplied by the number of years of contributions, whichever is higher.

The minimum pension is 44% of the insured's average monthly earnings in the last year of contributions or 200 dinars, whichever is higher.

The maximum pension is 80% of the insured's average earnings plus an additional 10% of the pension. Instead of an additional 10%, the pensioner may choose a lump sum of 3% of the monthly average earnings in the last two years multiplied by 12 times the number of years of coverage.

Disability settlement: A lump sum of 15% of the insured's average monthly earnings in the last two years multiplied by 12 times the number of years of contributions plus 5%

interest from the date the insured ceased employment due to disability until the date the settlement is paid.

Benefits are payable abroad in limited circumstances.

Benefit adjustment: Benefits are increased by 3% every January.

Survivor Benefits

Survivor pension: 37.5% of the deceased's pension is paid to a widow(er); 62.5% if there is no eligible orphan; 75% if there are no other eligible survivors.

Orphan's pension: 50% of the deceased's pension is split equally among the insured's eligible children; 62.5% if there are no other eligible survivors except a widow.

If there are no other eligible survivors, 100% of the deceased's pension is paid to a full orphan; 87.5% if there is no widow but there are other eligible survivors.

Other eligible survivors: 12.5% of the deceased's pension is split equally among dependent parents, brothers, and sisters; 37.5% if there is no eligible orphan; 62.5% if there are no other eligible survivors.

The minimum pension is 44% of the deceased's average earnings in the last year of contributions or 200 dinars a month, whichever is higher. The minimum pension for every surviving family member must be at least 35 dinars a month. The combined total may be more than 44% of the deceased's average earnings or 200 dinars and less than the insured's average contributory wage during the last year.

The contributory wage is the insured's total monthly wage received in January of each year.

The maximum pension is 80% of the deceased's average earnings plus an additional 10% of the pension. Instead of an additional 10%, the pensioner may choose a lump sum of 3% of the monthly average earnings in the last two years multiplied by 12 times the number of years of coverage.

Marriage grant: A lump sum of 15 times the monthly pension is paid.

Compensation for prolonged service: A lump sum of 11% of average earnings in the last two years is paid for each contribution year exceeding 40 years.

Survivor settlement: A lump sum of 15% of the deceased's monthly average earnings in the last two 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 of the deceased's earnings (if the deceased was employed at the time of death) or pension (if the deceased was retired) is paid.

Funeral grant: 300 dinars for funeral expenses; 400 dinars if the insured died abroad, regardless of the place of burial.

Benefits are payable abroad in limited circumstances.

Benefit adjustment: Benefits are increased by 3% every January.

Administrative Organization

Ministry of Finance (<http://www.mof.gov.bh>) provides general supervision.

Social Insurance Organization (<http://www.sio.bh>), managed by a board of directors, administers the program.

Work Injury

Regulatory Framework

First and current law: 1976 (social insurance).

Type of program: Social insurance system.

Coverage

Employed persons in establishments with one or more employees.

Exclusions: Household workers, casual employees, family labor, self-employed persons, and agricultural workers.

Special system for public-sector employees.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 3% of the employee's monthly earnings.

The maximum monthly earnings used to calculate contributions are 4,000 dinars.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of the insured's contributory daily wage is paid from the day after the injury until recovery or certification of permanent disability. (The employer pays the wage for the day of the injury.)

The contributory wage is the insured's total monthly wage received in January of each year.

A medical committee assesses the degree of disability. The Social Insurance Organization may request periodic medical examinations during the first four years of disability. The insured may also request medical reexamination during this period.

Permanent Disability Benefits

Permanent disability pension: For an assessed degree of disability of 100%, 80% of the insured's last monthly

earnings is paid. A supplement of 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 minimum pension is 200 dinars a month or 88% of the insured's contributory wage, whichever is higher. The contributory wage is the insured's monthly wage received in January of each year. The minimum pension for every family member (including the insured) must be at least 35 dinars a month; the combined total may not exceed the insured's last contributory wage.

Benefit adjustment: Benefits are increased by 3% every January.

Partial disability: A percentage of the full pension is paid according to the assessed degree of disability. For a loss of working capacity of less than 30%, a lump sum of 36 times the monthly permanent disability pension multiplied by the assessed percentage of disability is paid.

A medical committee assesses the degree of disability. The Social Insurance Organization may request periodic medical examinations during the first four years of disability. The insured may also request medical reexamination during this period.

Survivor Benefits

Survivor pension: 80% of the deceased's last monthly earnings is paid. A supplement of 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.

Eligible survivors include a widow, a widower with a disability, orphans, and the deceased's dependent parents, brothers, and sisters.

Widow(er)'s pension: 37.5% of the deceased's pension is paid; 62.5% if there is no eligible orphan; 75% if there are no other eligible survivors.

If a widow remarries or dies after the death of her insured or pensioner spouse, her share is redistributed to the remaining eligible survivors according to a schedule in law. If she remarries and is subsequently divorced or widowed, the pension may be reinstated.

Orphan's pension: 50% of the deceased's pension is split equally among the insured's children (a son must be younger than age 22; younger than age 26 if a full-time student); 62.5% if there are no other eligible survivors except a widow.

A daughter's pension ceases on marriage (or if personal earnings are at least equal to the pension) but is reinstated if she is subsequently divorced or widowed.

If there is no other eligible survivor, 100% of the deceased's pension is paid to each eligible full orphan; 87.5% if there is no widow but there are other eligible survivors (below).

Other eligible survivors: 12.5% of the deceased's pension is split equally among dependent parents, brothers, and

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sisters; 37.5% if there is no eligible orphan but there is a widow; and 62.5% if there are no other eligible survivors.

The minimum pension is 200 dinars a month or 88% of the deceased's last contributory wage, whichever is higher. The contributory wage is the deceased's monthly wage received in January of each year. The minimum pension for every family member must be at least 35 dinars a month; the combined total may not exceed the deceased's last contributory wage.

Benefit adjustment: Benefits are increased by 3% every January.

Marriage grant: A lump sum of 15 times the monthly pension is paid to each woman receiving a survivor pension who marries. The grant is paid to each survivor only once.

Death grant: Six months of earnings (if the deceased was employed at the time of death) or pension (if the deceased was retired) is paid.

Funeral grant: 300 dinars is paid to the person who pays for the funeral; 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 increased by 3% every January.

Administrative Organization

Ministry of Finance (<http://www.mof.gov.bh>) provides general supervision.

Social Insurance Organization (<http://www.sio.bh>), managed by a board of directors, administers the program.

Unemployment

Regulatory Framework

First and current law: 2006 (unemployment insurance).

Type of program: Social insurance system.

Coverage

Civil servants (regardless of nationality), private-sector employees (regardless of nationality), and first-time job seekers (Bahraini citizens only).

Exclusions: Self-employed persons.

Source of Funds

Insured person: 1% of total monthly salary.

The maximum monthly earnings used to calculate contributions for private-sector employees are 4,000 dinars.

Self-employed: Not applicable.

Employer: 1% of the employee's total monthly salary.

The Labor Fund pays employer contributions for private-sector employees.

The maximum monthly earnings used to calculate contributions for private-sector employees are 4,000 dinars.

Government: 1% of the employee's total monthly salary.

The maximum monthly earnings used to calculate contributions for private-sector employees are 4,000 dinars.

Qualifying Conditions

Unemployment benefit: Must be younger than the retirement age and a legal resident of Bahrain. Must have at least 12 consecutive months of employment for the first benefit claim; 12 months of employment during the last 18 months for the second benefit claim; 18 months during the last 24 months for the third benefit claim; and 36 months during the last 48 months for any subsequent claim. Must be registered at an employment office and be capable of and available for work. Unemployment must not be due to voluntary leaving, misconduct, or the refusal of a suitable job offer.

Unemployment aid: Paid to first-time job seekers or insured persons who do not qualify for the unemployment benefit. Must be aged 17 to retirement age. Must not be engaged in gainful activity or own a business, and must be capable of and available for work.

Unemployment Benefits

Unemployment Benefit: 60% of average earnings in the last 12 months is paid for up to six months.

The minimum unemployment benefit is 150 dinars.

The maximum unemployment benefit is 500 dinars.

Unemployment aid: 150 dinars (persons with academic qualifications) or 120 dinars (other unemployed persons) is paid for up to six months.

Administrative Organization

Ministry of Labour registers unemployed persons, makes decisions on benefit entitlement, and provides training.

Social Insurance Organization (<http://www.sio.bh>), managed by a board of directors, administers the program.