

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

Bahraini employed persons in establishments with one or more employees or working in one of the Gulf Cooperation Council countries (Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates).

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

Exclusions: Household workers, certain groups of agricultural employees, casual workers, temporary noncitizen workers, and other groups as 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 voluntary contributors.

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

Self-employed person: 15% of monthly income for voluntary contributors.

The monthly income used to calculate contributions is chosen by the self-employed person when joining the system but must be between 200 dinars and 1,000 dinars; thereafter, the monthly income used to calculate contributions may be increased or decreased annually by up to 5% but must be between 200 dinars and 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: Regardless of age with at least 20 years of coverage (men) or 15 years of coverage (women).

Lump-sum compensation for prolonged service: Paid if the deceased had more than 40 years of contributions.

Retirement from usual employment is necessary. Pensioners may work in a new job as long as the combined income from a pension and the job does not exceed the amount earned in the last job before retirement.

Old-age settlement: Paid at age 60 (men) or age 55 (women) if the insured person does not meet the contribution conditions for the normal old-age pension.

Disability pension: The insured must be younger than age 60 (men) or age 55 (women) when the disability began. The insured had at least 6 consecutive months of contributions immediately before the disability began or 12 nonconsecutive months of contributions with 3 months immediately before the disability began. The pension is also paid if the disability began within 1 year of the cessation of 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 6 consecutive months of contributions immediately before the date of death or 12 nonconsecutive months of contributions with 3 immediately before the date of death. The pension is also paid 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 more than 40 years of contributions.

Eligible survivors are 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 she is subsequently divorced or 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, her pension is redistributed to the remaining eligible survivors according to a schedule in law.

A son's pension ceases at age 22 (up to 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 on marriage (or if personal earnings are at least equal to the pension) but is reinstated if she is subsequently divorced or widowed.

If any of the survivors' pensions cease for any reason, the pension is redistributed among the remaining eligible survivors according to a schedule in law.

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

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

Death grant: Paid for the death of the insured or a pensioner to eligible survivors according to a schedule in law.

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: The monthly pension is 2% of the insured's monthly average earnings in the last 2 years multiplied by the number of years of contributions.

The maximum contribution period used to calculate the pension is 40 years (up to 5 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 2 years or 180 dinars a month, whichever is less. The contributory wage is the total monthly wage received in January of each year. The minimum pension for every family member (including the pensioner) must be at least 35 dinars a month, provided that the total does not exceed the average contributory wage over the last 2 years.

The maximum pension is 80% of the insured's average earnings plus an additional 10% of the pension. Instead of an additional 10%, the beneficiary can opt for a lump sum of 3% of the monthly average earnings in the last 2 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.

Lump-sum compensation for prolonged service: A lump sum of 11% of average earnings in the last 2 years is paid for each contribution year over 40.

Old-age settlement: A lump sum is paid of 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 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 180 dinars, whichever is higher; an insured person with income less than 180 dinars receives a pension of 100% of his or her average contributory wage in the last year.

The contributory wage is the 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 beneficiary can opt for a lump sum of 3% of the monthly average earnings in the last 2 years multiplied by 12 times the number of years of coverage.

Disability settlement: A lump sum is paid of 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 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

Widow(er)'s pension: 37.5% of the deceased's pension is paid; 62.5% in the absence of orphans; 75% in the absence of all other 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.

In the absence of any other survivors, a full orphan receives 100% of the deceased'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 deceased's pension is split equally among dependent parents, brothers, and sisters; 37.5% in the absence of orphans; 62.5% in the absence of any other survivors.

The minimum pension is 44% of the deceased's average earnings in the last year of contributions or 180 dinars a month, whichever is higher; if the deceased's monthly income was less than 180 dinars, the minimum pension is 100% of the deceased's average contributory wage in the last year. The contributory wage is the total monthly wage received in January of each year. The minimum pension for every surviving family member must be at least 35 dinars a month even if the total exceeds 44% of the deceased's average earnings or 180 dinars, but the total must not exceed the average contributory wage during the last 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 beneficiary can opt for a lump sum

of 3% of the monthly average earnings in the last 2 years multiplied by 12 times the number of years of coverage.

Lump-sum compensation for prolonged service: A lump sum of 11% of average earnings in the last 2 years is paid for each contribution year above 40.

Survivor pensions are paid monthly.

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

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

Survivor settlement: A lump sum is paid of 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 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 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 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 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.

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

The daily allowance is 100% of the insured's contributory daily wage. The contributory wage is the total monthly wage received in January of each year. The employer pays the wage for the day of the injury; thereafter, the Social Insurance Organization pays the benefit until recovery or certification of permanent disability.

A medical committee assesses the degree of disability. The Social Insurance Organization may request periodic medical examinations during the first 4 years of disability. The insured may also request medical reexamination during this period.

Permanent Disability Benefits

Permanent disability pension: The basic pension is 80% of the insured's last monthly earnings. In addition, if the insured has a total disability, 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. If the insured has a total disability, the total pension amounts to 88% or 92% of the insured's average monthly earnings.

The minimum pension is 180 dinars a month or 88% or 92% of the insured's contributory wage, whichever is higher; for those earning less than 180 dinars, the pension is 100% of his or her contributory wage. The contributory wage is 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 35 dinars a month, provided that the total does 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 is paid of 36 times the monthly permanent disability pension multiplied by the assessed percentage of disability.

A medical committee assesses the degree of disability. The Social Insurance Organization may request periodic medical examinations during the first 4 years of disability. The insured may also request medical reexamination during this period.

Survivor Benefits

Survivor pension: The basic pension is 80% of the deceased's last monthly earnings. In addition, 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 total pension amounts to 88% or 92% of the deceased's average monthly earnings.

Eligible survivors are 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% in the absence of orphans; 75% in the absence of all other 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.

In the absence of any other survivors, a full orphan receives 100% of the deceased'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 deceased's pension is split equally among dependent parents, brothers, and sisters; 37.5% in the absence of orphans but in the presence of a widow; and 62.5% in the absence of any other survivors.

The minimum pension is 180 dinars a month or a percentage of the deceased's contributory wage (88% or 92%), whichever is higher; if the deceased's monthly income was less than 180 dinars, the minimum pension is 100% of the deceased's contributory wage in the last year. The contributory wage is the deceased's total monthly wage received in January of each year. The minimum pension for every family member must be at least 35 dinars a month, provided that the total does not exceed the deceased's last contributory wage.

The maximum pension is 80% of the deceased's average earnings plus an additional 10% of the pension.

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 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 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).

Source of Funds

Insured person: 1% of total monthly salary.

The maximum monthly earnings used to calculate contributions are 4,000 dinars (no ceiling for civil servants).

Self-employed: Not applicable.

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

Employer contributions for private-sector employees are paid by the Labor Fund.

The maximum monthly earnings used to calculate contributions are 4,000 dinars (no ceiling for civil servants).

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

The maximum monthly earnings used to calculate contributions are 4,000 dinars (no ceiling for civil servants).

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 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 a Bahraini citizen older than age 17 but younger than the age of retirement. 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 the average earnings in the last 12 months.

The minimum unemployment benefit is 150 dinars.

The maximum unemployment benefit is 500 dinars.

The benefit is paid for up to 6 months.

Unemployment aid: 150 dinars for persons with academic qualifications or 120 dinars for other unemployed persons.

The benefit is paid for up to 6 months.

Administrative Organization

Ministry of Labour (<http://www.mol.gov.bh>) 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.