

## Saudi Arabia

Exchange rate: US\$1.00 equals 3.75 riyals.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1962.

**Current law:** 2000 (social insurance), implemented in 2001.

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

#### Coverage

Employees of all firms and self-employed persons.

Exclusions: Agricultural workers, seamen, domestic servants, family labor, casual workers with less than 3 months of service, and foreign workers.

Special system for public-sector employees.

#### Source of Funds

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

**Self-employed person:** 9% of earnings.

**Employer:** 9% of payroll.

**Government:** Cost of administration during the initial phase, an annual subsidy, and any operating deficit.

The minimum monthly earnings for contribution and benefit purposes are 400 riyals.

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

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with 120 months of contributions.

Age 55 (men) with 120 months of contributions for those in arduous or unhealthy work.

The pension is also payable on reaching the statutory retirement age with at least 60 months of paid contributions plus credited contributions not exceeding 60 months.

Early pension: Before age 60 with 300 months of contributions.

Retirement from covered employment is necessary.

Old-age pensions are not payable abroad.

**Old-age settlement:** Payable if the insured does not satisfy the qualifying conditions for an old-age pension.

**Disability pension:** Incapacity for any work before age 60 with 12 consecutive months of contributions or 18 nonconsecutive months of contributions. The disability must begin while in insured employment.

The pension is also payable with 120 months of contributions (including at least 60 months of paid contributions plus credited contributions not exceeding 60 months) if no longer in covered employment at the onset of disability.

The disability pension may be paid abroad if the insured undergoes necessary medical treatment in another country.

**Disability settlement:** Payable if the insured does not satisfy the qualifying conditions for a disability pension.

**Survivor pension:** The deceased was in insured employment at the time of death and had either 3 consecutive months of contributions or 6 nonconsecutive months of contributions.

The pension is also payable with 120 months of contributions (including at least 60 months of paid contributions plus credited contributions not exceeding 60 months) if the deceased was not in covered employment at the time of death.

Eligible survivors include the deceased's widow(er); a dependent son younger than age 20 (age 25 if a full-time student); a dependent unmarried daughter; and brothers, sisters, parents, grandparents, and grandchildren in certain circumstances.

The survivor pension is not payable abroad.

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

The survivor settlement is payable abroad.

#### Old-Age Benefits

**Old-age pension:** 2.5% of the insured's average monthly wage during the last 2 years times the number of years of contributions.

The minimum pension is 1,500 riyals.

**Old-age settlement:** A lump sum equal to 10% of the insured's average monthly wage for the first 60 months of contributions and 12% for any additional months, if the insured is aged 60.

#### Permanent Disability Benefits

**Disability pension:** 2.5% of the insured's average monthly wage during the last 2 years times the number of years of contributions, if in insured employment at the onset of disability and the assessed degree of disability is 50% or more; a lump sum is paid for an assessed degree of disability of less than 50%.

The minimum pension is 50% of the insured's average monthly wage or 1,500 riyals, whichever is greater.

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

If the disability is assessed as temporary, a daily allowance is paid.

**Disability settlement:** A lump sum equal to 10% of the insured's average monthly wage for the first 60 months of contributions and 12% for any additional months.

### Survivor Benefits

**Survivor pension:** 2.5% of the deceased's average monthly wage during the last 2 years times the number of years of contributions.

The minimum individual survivor pension is 300 riyals.

The minimum combined survivor pension is 50% of the deceased's average monthly wage or 1,500 riyals, whichever is greater.

The maximum pension is 100% of the deceased's pension when split equally among three or more dependents; 75% for two dependents; and 50% for one dependent.

**Orphan's pension:** 20% of the deceased's pension is payable to each dependent son younger than age 20 (age 25 if a full-time student) or a dependent unmarried daughter; 40% for full orphans.

Other eligible survivors: 20% of the deceased's pension is payable to each dependent unmarried female relative, dependent parents, and brothers, grandparents, and grandchildren in certain circumstances.

For the death of a recipient of a nonoccupational disability pension, the pension is split among eligible survivors.

**Survivor settlement:** A lump sum equal to 10% of the deceased's average monthly wage for the first 60 months of contributions and 12% for any additional months.

**Marriage grant:** If the widow or a dependent daughter, sister, or granddaughter of the deceased marries, she receives a grant equal to 18 times her monthly survivor pension. Entitlement to the survivor pension ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

**Death grant:** A lump sum equal to 3 months' pension is divided equally among the dependent survivors.

The maximum death grant is 10,000 riyals.

### Administrative Organization

Ministry of Labor and Social Affairs (<http://www.mol.gov.sa>) provides general supervision.

Managed by a tripartite board, the General Organization for Social Insurance (<http://www.gosi.com.sa>) administers the program through district offices.

### Sickness and Maternity

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#### Regulatory Framework

No statutory social security benefits are provided for sickness and maternity.

The 1969 Social Insurance Law requires employers with more than 20 employees to pay 100% of wages for the first 30 days of sick leave and 75% of wages for the next 60 days.

### Work Injury

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#### Regulatory Framework

**First law:** 1947.

**Current law:** 2000 (social insurance), implemented in 2001.

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

#### Coverage

Saudi and non-Saudi employees of all firms.

#### Source of Funds

**Insured person:** None.

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

**Employer:** 2% of payroll.

**Government:** Annual subsidy and any operating deficit.

The minimum monthly earnings for contribution and benefit purposes are 400 riyals.

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

#### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

#### Temporary Disability Benefits

100% of the insured's daily wage (75% if under treatment in a medical center at the expense of the General Organization for Social Insurance). The benefit is payable for each day until the insured is able to resume work.

#### Permanent Disability Benefits

**Permanent disability pension:** Saudi insured persons receive 100% of their average monthly wage for the 3-month period immediately before the onset of disability, if totally disabled.

The minimum pension is 1,500 riyals a month.

Non-Saudi insured persons receive a benefit for permanent disability in the form of a lump sum equal to 84 times the permanent disability pension, up to a maximum of 330,000 riyals.

**Constant-attendance supplement:** 50% of the pension, up to a maximum of 3,500 riyals.

**Partial disability:** Saudi insured persons receive a percentage of the full pension in proportion to the assessed degree of disability. For a loss of capacity of less than 50%, a lump sum is awarded equal to 60 times the monthly permanent disability pension multiplied by the assessed percentage of disability.

Non-Saudi insured persons receive a lump-sum partial disability benefit equal to 60 times the partial disability pension, up to a maximum of 165,000 riyals.

### **Workers' Medical Benefits**

Necessary medical, dental, and diagnostic treatment; hospitalization; medicines; appliances; transportation; and rehabilitation.

### **Survivor Benefits**

**Survivor pension:** 100% of the deceased's average monthly wage for the 3-month period immediately before the date of death.

The minimum survivor pension is 1,500 riyals a month.

The maximum pension is 100% of the deceased's pension when shared equally among three or more dependents; 75% for two dependents; 50% for one dependent.

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:** If the widow or a dependent daughter, sister, or granddaughter of the deceased marries, she receives a grant equal to 18 times the monthly survivor pension. Entitlement to the survivor pension ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

**Death grant:** A lump sum equal to 3 months' pension is divided equally among dependent survivors.

The maximum death grant is 10,000 riyals.

### **Administrative Organization**

Ministry of Labor and Social Affairs (<http://www.mol.gov.sa>) provides general supervision.

General Organization for Social Insurance (<http://www.gosi.com.sa>) administers the program through the Occupational Hazards Branch.