

## Kuwait

Exchange rate: US\$1.00 = 0.28 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1976 (civilians), implemented in 1977; 1980 (military), implemented in 1981; and 1992 (supplementary), implemented in 1995.

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

#### Coverage

**Basic system:** Public-, private-, and oil-sector employees, self-employed persons, and military personnel.

**Supplementary system:** Employees with covered monthly earnings greater than 1,500 dinars.

#### Source of Funds

##### Basic system

**Insured person:** 5% of monthly earnings.

The minimum monthly earnings used to calculate contributions are 230 dinars.

The maximum monthly earnings used to calculate contributions are 1,500 dinars.

**Self-employed person:** 5% to 15% of declared monthly income, chosen from 22 income bands by the self-employed person.

The minimum monthly earnings used to calculate contributions are 200 dinars.

The maximum monthly earnings used to calculate contributions are 1,250 dinars.

**Employer:** 10% of payroll.

The minimum monthly earnings used to calculate contributions are 230 dinars.

The maximum monthly earnings used to calculate contributions are 1,250 dinars.

**Government:** 10% of covered earnings (public employees), 32.5% of payroll (military personnel), and 25% of monthly income minus the self-employed persons' contributions (self-employed persons).

##### Supplementary system

**Insured person:** 5% of earnings.

The minimum monthly earnings used to calculate contributions are 1,501 dinars.

The maximum monthly earnings used to calculate contributions are 2,750 dinars.

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

**Employer:** 10% of payroll.

The minimum monthly earnings used to calculate contributions are 1,501 dinars.

The maximum monthly earnings used to calculate contributions are 2,750 dinars.

**Government:** 10% of payroll.

The minimum monthly earnings used to calculate contributions are 1,501 dinars.

The maximum monthly earnings used to calculate contributions are 2,750 dinars.

Benefit adjustments under both systems are financed by a combined additional monthly contribution by the insured person (2.5%), self-employed person (3.5%), employer (1%), and government (2.5%) on total earnings, up to 2,750 dinars a month.

#### Qualifying Conditions

##### Old-age pension

**Basic system:** Age 50 (gradually rising to age 55 by 2020) with at least 15 years of contributions; age 48 (men and unmarried women with no children, gradually rising to age 55 by 2020) with at least 20 years of contributions; age 43 (married women and women with children, gradually rising to age 50 by 2020) with at least 15 years of contributions; at any age with at least 20 years of contributions for those in arduous work (at least 15 years for women who care for a husband or child with disabilities); age 65 with at least 15 years of contributions or age 55 with 20 years of contributions for self-employed persons; age 50 with at least 15 years of contributions or age 45 with 20 years of contributions for military personnel, subject to other conditions.

The full basic old-age pension is paid with 30 years of contributions.

Employment must cease, except if moving from the public sector to the private sector; must meet certain length-of-service requirements in the public sector.

**Deferred basic pension:** The basic pension may be deferred if the insured continues to work.

Benefits are not payable abroad.

**Supplementary system:** Paid at the same time as the basic old-age pension.

**Deferred supplementary pension:** A deferred supplementary pension is possible.

Benefits are not payable abroad.

## Disability pension

*Basic system and supplementary system:* An assessed degree of incapacity for work of more than 50%.

The general medical council assesses the degree of disability.

Benefits are not payable abroad.

**Survivor pension:** The insured met the coverage requirements for an old-age pension or was a pensioner at the time of death.

Eligible survivors include widows; dependent widowers with a disability and incapable of working; children (sons must be younger than age 26 or age 28 if a full-time student); parents; brothers; sisters; and a son's children. There is no limit for unmarried female survivors or male survivors with disabilities.

Marriage grant: Paid to the deceased's daughter or the daughter of the deceased's son.

**Death grant:** Paid when an insured person or a pensioner dies.

Benefits are not payable abroad.

## Old-Age Benefits

### Old-age pension

*Basic system:* The benefit is 65% (75% for military personnel) of the insured's last monthly earnings or the insured's average monthly income in the last three years for self-employed persons, plus 2% for each year of contributions exceeding 15 years, up to 95% of earnings (100% for military personnel).

The minimum monthly earnings used to calculate benefits are 230 dinars; 200 dinars for self-employed persons.

The maximum monthly earnings used to calculate benefits are 1,500 dinars; 1,250 dinars for self-employed persons.

Part of the pension may be paid as a lump sum before age 65.

Deferred basic pension: In addition to the full basic old-age pension, a lump sum of 12% of the insured's average monthly income in the last year of employment is paid for each of the first five years exceeding 30 years; 15% for the next five years; and 20% thereafter.

Benefit adjustment: Flat-rate adjustments are made to benefits every three years.

*Supplementary system:* The benefit is based on 25% to 30% (according to age) of the insured's average monthly earnings during the total contribution period plus 5% for each year of contribution, divided by a fixed amount of 202 dinars to 120 dinars (according to age).

Deferred pension (supplementary system): The benefit is increased by 5% for each year of deferral.

Part of the pension may be paid as a lump sum before age 65.

Benefit adjustment: Flat-rate adjustments are made to benefits every three years.

The minimum monthly combined basic and supplementary pension ranges from 517 dinars (women and single men) to 930 dinars (men with five or more dependent children).

## Permanent Disability Benefits

### Disability pension

*Basic system:* The benefit is 65% (75% for military personnel) of the insured's last monthly earnings or the average monthly insured income in the last three years for self-employed persons, plus 2% for each year of contributions exceeding 15 years, up to 95% of earnings (100% for military personnel). The insured is credited with contribution years from the date the disability began until age 60.

Benefit adjustment: Flat-rate adjustments are made to benefits every three years.

*Supplementary system:* The benefit is the accrued sum in the insured's account divided by a fixed amount ranging from 202 dinars to 120 dinars, according to the insured's age.

The benefit is based on 15% to 25% (according to age) of the insured's average monthly earnings during the total contribution period, plus 5% for each year of contribution.

The insured is credited with contribution years from the date the disability began until age 60.

Benefit adjustment: Flat-rate adjustments are made to benefits every three years.

### Survivor Benefits

**Survivor pension:** The maximum pension is 100% of the deceased's pension, according to the number and category of eligible survivors. The survivor pension for different eligible categories of survivors is set according to a schedule in law.

The pension is suspended on marriage but reinstated if subsequently divorced or widowed.

The pension is suspended or ceases if the survivor (except the widow) starts working.

If a survivor's eligibility ceases, the pension is split among all remaining eligible survivors.

The minimum monthly pension is 234 dinars for a widow or a dependent widower; 184 dinars for each parent; 118 dinars for each of the other survivors.

Marriage grant: A lump sum of six months of the eligible survivor's share of the pension is paid. The grant is paid to each survivor only once.

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**Death grant:** The grant is twice the deceased's last monthly earnings or pension. The minimum grant is twice the minimum wage in the oil and private sectors.

**Benefit adjustment:** Flat-rate adjustments are made to benefits every three years.

### ***Administrative Organization***

Public Institution for Social Security (<http://www.pifss.gov.kw>) administers the program and is managed by a board of directors that is chaired by the Minister of Finance.

### ***Work Injury***

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#### ***Regulatory Framework***

**First and current law:** 1976 (social insurance), not yet implemented.

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

There is no specific program for work injury. Cash benefits for a work-related injury are provided through the basic system of the Old Age, Disability, and Survivors program.

The government pays for any medical care required as the result of a work-related injury.