

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

Special system for public-sector employees.

#### Source of Funds

**Insured person:** 5% of total monthly salary; voluntary contributors, 12% of declared monthly income.

The maximum monthly earnings for contribution purposes are 4,000 dinars.

**Self-employed person:** 12% of monthly income on a voluntary basis.

The monthly income for contribution purposes 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 for contribution purposes may be increased or decreased annually by up to 5% but must be between 200 dinars and 1,500 dinars.

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

The maximum monthly earnings for contribution purposes are 4,000 dinars.

**Government:** None.

### Qualifying Conditions

#### Old-age pension

**Men:** Age 60 with 15 years of coverage; older than 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; older than 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:** Paid for a contribution period exceeding 40 years.

Retirement from usual employment is necessary. Pensioners may work in a new job, providing that 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 if 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 nonconsecutive months of contributions, 3 months of which were consecutive and immediately before the onset of disability. The pension is also payable if the disability begins 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:** Paid if 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 exceeding 40 years.

Eligible survivors are a widow, a disabled widower, 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 female heir 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 paid to eligible sons and daughters.

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 will be reinstated if she is subsequently divorced or widowed.

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

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

**Death grant:** Paid for the death of the insured or a pensioner. The grant is 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 equal to 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 (up to 5 years of credited contributions may be used for pension calculation purposes, subject to the insured's total contribution period not exceeding 30 years).

The minimum pension is equal to 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 for every family member (including the pensioner) must be at least equal to 30 dinars a month, provided that the total does not exceed the average contributory wage over the last 2 years.

The maximum pension is equal to 88% of average earnings, calculated on the basis of 80% of the insured's average earnings plus an additional 10% of the pension (equal to 8% of average earnings).

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 exceeding 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 exceeding 40.

**Old-age settlement:** A lump sum is paid 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 equal to 44% of the insured's average monthly earnings in the last year of contributions before the onset of disability or 2% of the insured's average earnings 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 contributions or 150 dinars, whichever is higher; an insured person with income less than 150 dinars receives 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 equal to 88% of average earnings, calculated on the basis of 80% of the insured's average earnings plus an additional 10% of the pension (equal to 8% of average earnings).

**Disability settlement:** A lump sum is paid 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(er)'s pension:** 37.5% of the deceased's pension is paid; 50% in the absence of orphans.

**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 the 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 (see 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.

The minimum pension is 44% of the deceased's average earnings in the last year of contributions or 150 dinars a month, whichever is higher; if the deceased's monthly income was less than 150 dinars, the minimum pension is equal to 100% of the deceased's average contributory wage in the last year. The minimum pension for every surviving family member must be at least equal to 30 dinars a month even if the total exceeds 44% of the deceased's average

earnings or 150 dinars, but the total must not exceed the average contributory wage during the last year.

The maximum pension is equal to 88% of the deceased's average earnings, calculated on the basis of 80% of the deceased's average earnings plus an additional 10% of the pension (equal to 8% of average earnings).

Lump-sum compensation for prolonged service: If the deceased had a contribution period exceeding 40 years, the survivor is entitled to a lump sum calculated on the basis of 11% of average earnings in the last 2 years for each contribution year exceeding 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 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 the deceased was employed at the time of death) or pension (if retired) is paid, 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

Ministry of Labor and Social Affairs (<http://www.bahmolsa.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

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#### Regulatory Framework

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

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

#### Coverage

Employed persons in establishments with one or more employees.

Exclusions: Domestic servants, 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 for contribution purposes are 4,000 dinars.

**Government:** None.

### Qualifying Conditions

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

### Temporary Disability Benefits

The daily allowance is equal to 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.

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.

### Permanent Disability Benefits

**Permanent disability pension:** The base pension is equal to 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 the insured is 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 earning 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 is paid according to the assessed degree of disability. For a loss of working capacity of less than 30%, a lump sum is paid equal to 36 times the monthly permanent disability pension multiplied by the assessed percentage of disability.

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**

**Survivor pension:** The base pension is equal to 80% of the deceased'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 deceased's average monthly earnings.

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

*Widow(er)'s pension:* 37.5% of the deceased's pension is paid; 50% in the absence of orphans.

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

*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 the widow.

A daughter's pension ceases on marriage (or if personal earnings are at least equal to the pension) but will be 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.

The minimum pension is 150 dinars a month or 88% or 92% of the deceased's contributory wage, whichever is higher; if the deceased's monthly income was less than 150 dinars, the minimum pension is equal to 100% of the deceased's average contributory wage in the last year. 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 deceased's last contributory wage.

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

**Marriage grant:** A lump sum equal to 15 times the monthly pension is paid to each female heir receiving a survivor pension who marries. The grant is paid to each survivor 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.

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

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