

Jordan

Exchange rate: US\$1.00 equals 0.71 dinars.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1978.

Current law: 2001 (social security).

Type of program: Social insurance system.

Coverage

Employees older than age 16 working in private establishments with at least five workers (starting with the Aqaba Special Economic Zone, coverage is being extended gradually to all workers in private establishments nationally); government and public-sector employees not covered under civil or military pension laws; employees of universities, municipalities, and village councils; and Jordanian citizens working at diplomatic missions or for international organizations.

Voluntary coverage for all Jordanian citizens residing in the Kingdom or abroad who cease to be compulsorily covered, subject to a minimum income requirement and a maximum earnings ceiling. Voluntary coverage is expected to be extended to include housewives in 2009.

Exclusions: Public-sector employees covered under civil or military pension laws, foreign employees serving in international organizations or foreign political or military missions, and casual labor. The law on coverage for certain categories of currently uncovered employees (such as agricultural workers, seamen, fishermen, and household workers), is yet to be implemented.

Special systems for public-sector employees covered under civil or military pension laws.

Source of Funds

Insured person: 5.5% of gross monthly earnings; insured workers can also contribute lump-sum amounts for previous work periods not covered.

Voluntary contributors pay 14.5% of monthly income between 150 dinars and 1,000 dinars.

Self-employed person: May contribute voluntarily in certain circumstances. Voluntary contributors pay 14.5% of monthly income between 150 dinars and 1,000 dinars.

Employer: 9% of monthly payroll.

Government: Any deficit.

Qualifying Conditions

Old-age pension: Age 60 (men) or age 55 (women) with at least 180 months of coverage, including 60 months of paid contributions.

An insured person with at least 10 years of contributions before reaching the statutory retirement age may continue to contribute up to age 65 (men) or age 60 (women) to meet the minimum qualifying conditions.

Dependent's supplement: Eligible dependents are a dependent wife; a dependent husband with a disability; a son with a disability; an unmarried dependent daughter; and dependent parents, brothers, and sisters.

Early pension: A reduced old-age pension is paid from age 45 with at least 18 years (men) or 15 years (women) of contributions.

Benefits are payable abroad.

Disability pension: The insured must be assessed with a total or partial incapacity for work and have 60 months of contributions of which 36 months are consecutive.

The Central Medical Committee and Appeals Medical Committee are responsible for assessing the degree of disability.

Benefits are payable abroad.

Survivor pension: The deceased had 24 months of contributions of which 12 months were consecutive. If more than one survivor is eligible, the pension is split between survivors according to the schedule in law.

Eligible survivors include a widow; a disabled widower; the insured's male children up to age 26 if a student or until the completion of the first university degree, whichever comes first; all dependent daughters if unmarried, widowed, or divorced; brothers (younger than age 18) who were supported by the deceased; sisters supported by the deceased; parents; and an unborn child.

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

Benefits are payable abroad.

Old-Age Benefits

Old-age pension: The pension is based on 2.5% of the insured's average monthly earnings in the last 2 years multiplied by the number of years of contributions.

The maximum pension is equal to 75% of the insured's average monthly earnings in the last 2 years.

Dependent's supplement: The pension is increased by 10% for the first dependent and 5% each for the second and third. The maximum supplement is equal to 20% of the pension.

Early pension: The pension is based on 2.5% of the insured's average monthly earnings in the last 2 years multiplied by the number of years of contributions but is subject

to scaled reductions based on gender and age at the time the pension is first received.

For men, the scaled reductions range from 1% if retiring between ages 58 and 59 to 18% if retiring between ages 45 and 46; for women, the reduction is 10% if retiring between ages 45 and 50 or 5% if retiring between ages 50 and 54; no reduction for women retiring at age 54 or 55.

If an insured person reaches the retirement age, becomes disabled, or dies without entitlement to a pension, a lump sum is paid equal to 15% of the insured's average annual earnings in the last 2 years for each year of contributions; if the contribution period is less than 2 years, the lump sum is equal to 15% of the insured's average monthly earnings multiplied by the number of months of contributions.

If an insured person ceases work before the retirement age without entitlement to a pension but has 12 to 59 months of contributions, a lump sum is paid equal to 10% of the insured's average annual earnings; with 60 to 179 months, 12% of the average annual earnings; with at least 180 months, 15% of the average annual earnings.

Lump-sum benefits can also be paid for certain cases as determined by the Board of Directors of the Social Security Corporation.

Since January 1, 1996, all newly awarded pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

Benefit adjustment: Benefits are adjusted periodically by the Council of Ministers according to changes in the cost of living.

Permanent Disability Benefits

Disability pension: The pension is equal to 50% of the insured's average monthly earnings.

The average monthly earnings are based on average earnings on which contributions were paid in the last 36 months.

The pension is increased by 0.5% for each full year of contributions if the insured has 60 months to 119 months of contributions; by 1% for each full year of contributions if the insured has at least 120 months of contributions.

Constant-attendance allowance: Equal to 25% of the pension.

Since January 1, 1996, all newly awarded pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

There is no maximum pension.

Benefit adjustment: Benefits are adjusted periodically by the Council of Ministers according to changes in the cost of living.

Survivor Benefits

Survivor pension: The pension is equal to 50% of the insured's average monthly earnings in the last year of con-

tributions or, if the deceased was a pensioner, 100% of the insured's pension.

The pension is increased by 0.5% for each full year of contributions if the deceased had between 60 months to 119 months of contributions; by 1% for each full year of contributions if the deceased had at least 120 months of contributions.

Funeral grant: 500 dinars.

Since January 1, 1996, all newly awarded pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

Benefit adjustment: Benefits are adjusted periodically by the Council of Ministers according to changes in the cost of living.

Administrative Organization

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.

Work Injury

Regulatory Framework

First law: 1978.

Current law: 2001 (social security).

Type of program: Social insurance system.

Coverage

Employees older than age 16 working in private establishments with at least five workers (starting with the Aqaba Special Economic Zone, coverage is being extended gradually to all workers in private establishments nationally); government and public-sector employees not covered under civil or military pension laws; employees of universities, municipalities, and village councils; Jordanian citizens working at diplomatic missions or for international organizations; and apprentices younger than age 16.

Exclusions: Public-sector employees covered under civil or military pension laws, foreign employees serving in international organizations or foreign political or military missions, and casual labor. The law on coverage for certain categories of currently uncovered employees (such as agricultural workers, seamen, fishermen, and household workers, is yet to be implemented).

Special system for public-sector employees covered under civil or military pension law.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 2% of monthly payroll (may be reduced to 1% if the employer assumes the full cost of medical treatment and

the payment of daily allowances for temporary disability). No contribution is required on wages paid to apprentices.

Government: Any deficit.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The benefit is equal to 75% of the insured's daily earnings. The employer pays the earnings for the day the accident occurred; thereafter, the Social Security Corporation pays the daily benefit. Payment continues until the insured resumes work, is assessed with a permanent disability, or dies.

Permanent Disability Benefits

Permanent disability pension: If the insured is assessed with a total disability, the pension is equal to 75% of the monthly earnings on the day of the injury.

Constant-attendance allowance: Equal to 25% of the pension.

Partial disability: If assessed with a disability of less than 30%, a lump sum is paid equal to the total disability pension (75% of monthly earnings on the day of the injury) multiplied by the percentage of the assessed degree of disability multiplied by 36 months of earnings.

The Central Medical Committee and Appeals Medical Committee are responsible for assessing the degree of disability.

Workers' Medical Benefits

Medical treatment, hospitalization, transportation, and rehabilitation services (including artificial limbs).

Survivor Benefits

Survivor pension: The pension is equal to 60% of the covered monthly earnings on the day of the injury. If there is more than one eligible survivor, the pension is split according to the schedule in law.

Eligible survivors include a widow; a disabled widower; the insured's male children up to age 26 if a student or until the completion of the first university degree, whichever comes first; all dependent daughters if unmarried, widowed, or divorced; brothers (younger than age 18) who were supported by the deceased; sisters supported by the deceased; parents; and an unborn child.

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

Since January 1, 1996, all newly awarded pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

Funeral grant: 500 dinars.

Administrative Organization

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.