

## Saudi Arabia

Exchange rate: US\$1.00 = 3.75 riyals.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1969 (social insurance), implemented in 1973.

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

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

#### Coverage

Private-sector employees and some categories of public-sector employees.

Voluntary coverage for persons who are self-employed, are working abroad, or no longer satisfy the conditions for compulsory coverage.

Exclusions: Agricultural workers, fishermen, household workers, family labor, and foreign nationals. Excluded workers may be covered under certain conditions.

Special system for civil servants and military personnel. Under certain conditions, former contributors under the civil and military scheme may request to have contribution periods credited toward the public social insurance scheme and vice versa.

#### Source of Funds

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

The minimum monthly earnings used to calculate contributions are 1,500 riyals.

The maximum monthly earnings used to calculate contributions are 45,000 riyals.

**Self-employed person:** 18% of declared income.

The minimum monthly earnings used to calculate contributions are 1,200 riyals.

The maximum monthly earnings used to calculate contributions are 45,000 riyals.

**Employer:** 9% of payroll.

The minimum monthly earnings used to calculate contributions are 1,500 riyals.

The maximum monthly earnings used to calculate contributions are 45,000 riyals.

**Government:** Any actuarial deficit.

#### Qualifying Conditions

**Old-age pension:** Around age 58 (men, age 60 in the Hijri calendar) or around age 53 (women, age 55 in the Hijri calendar) with at least 120 months of paid or credited contributions (credited contributions must not exceed 60 months); around age 53 (men, age 55 in the Hijri calendar) with at least 120 months of contributions if engaged in arduous or unhealthy work.

Early pension: At any age (men and women) with at least 300 months of contributions.

Employment must cease.

**Cost of living allowance:** Paid to persons who receive the old-age pension.

**Old-age settlement:** Paid if the insured does not qualify for an old-age pension.

**Disability pension:** Assessed with an incapacity to work before age 58 (age 60 in the Hijri calendar). If the disability began while the insured was in covered employment, must have at least 12 consecutive months of contributions or 18 nonconsecutive months of contributions (24 consecutive months of contributions or 36 nonconsecutive months of contributions for voluntarily insured persons who joined the scheme at age 48 (age 50 in the Hijri calendar) or older).

If no longer in covered employment when the disability began, must meet the contribution requirements for the old-age pension.

Constant-attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions. The General Organization for Social Insurance's medical board assesses the need for constant attendance.

**Disability settlement:** Paid if the insured does not qualify for a disability pension.

**Survivor pension:** The deceased was in covered employment at the time of death and had at least three consecutive months of contributions or six nonconsecutive months of contributions (12 consecutive months of contributions or 18 nonconsecutive months of contributions for voluntarily insured persons who first joined the scheme at age 48 (age 50 in the Hijri calendar) or older); or was a pensioner.

If the deceased was no longer in covered employment at the time of death and was not a pensioner, the pension is paid with at least 120 months of paid or credited contributions (credited contributions must not exceed 60 months).

Eligible survivors include a widow(er); a son younger than age 19 (age 26 if a full-time student, no limit if unable to work); an unmarried daughter; dependent brothers, sisters, parents, grandparents, and grandchildren in certain circumstances; and an ex-wife (according to Islamic law).

The pension for a female survivor ceases upon marriage but may be reinstated if she is subsequently divorced or widowed.

**Survivor settlement:** Paid to eligible survivors if the deceased did not qualify for a survivor pension.

**Marriage grant:** Paid upon marriage to a widow or an eligible daughter, sister, or granddaughter.

**Death grant:** Paid to eligible survivors.

### Old-Age Benefits

**Old-age pension:** 2.5% of the insured's average monthly earnings during the last 24 months is paid for each year of contributions, up to 100%.

The average monthly earning used to calculate benefits must not exceed 150% of the insured's monthly earnings at the beginning of the last five-year contribution period.

If the insured's monthly earnings decrease during the last 24 months before retirement, special provisions apply to adjust the average monthly earnings used to calculate benefits.

The minimum monthly pension is 1,984 riyals.

**Cost of living allowance:** The first 25,000 riyals of the old-age pension is increased by 5% a year for three consecutive years.

**Old-age settlement:** A lump sum of 10% of the insured's average monthly earnings during the last two years before retirement is paid for each month of the first five years of contributions plus 12% for each additional month.

### Permanent Disability Benefits

**Disability pension:** If the insured was in covered employment when the disability began, the pension is 2.5% of the insured's average monthly earnings during the last 24 months before the disability began for each year of contributions, up to 100%, or 50% of the insured's average monthly earnings during the last 24 months before the disability began (or over the total contribution period if less than two years), whichever is greater.

If no longer in covered employment when the disability began, the old-age pension is paid.

The average monthly earnings used to calculate benefits must not exceed 150% of the insured's monthly earnings at the beginning of the last five-year contribution period.

If the insured's monthly earnings decreased during the last 24 months before the disability began, special provisions apply to adjust the average monthly earnings used to calculate benefits.

The minimum monthly pension is 1,984 riyals.

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

**Disability settlement:** A lump sum of 10% of the insured's average monthly earnings during the last two years before the disability began is paid for each month of the first five years of contributions plus 12% for each additional month.

### Survivor Benefits

**Survivor pension:** If there are three or more survivors, 100% of the old-age or disability pension the deceased received or was entitled to receive (or 2.5% of the deceased's average monthly earnings during the last 24 months before death if the deceased was in covered employment at the time of death) is paid; 75% of this amount for two dependents; 50% for one dependent. The pension is split equally among all eligible survivors.

The minimum individual monthly survivor pension is 396.75 riyals.

The minimum combined monthly survivor pension is 1,984 riyals.

**Survivor settlement:** A lump sum of 10% of the insured's average monthly earnings during the last 24 months before death is paid for each month of the first five years of contributions plus 12% for each additional month.

**Marriage grant:** A lump sum of 18 times the individual monthly survivor pension is paid.

**Death grant:** A lump sum of three months of the survivor pension is split equally among eligible survivors.

The maximum death grant is 10,000 riyals.

### Administrative Organization

The General Organization for Social Insurance (<http://www.gosi.gov.sa/>) administers the program through district offices.

### Work Injury

---

#### Regulatory Framework

**First law:** 1969 (social insurance), implemented in 1973.

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

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

#### Coverage

Private-sector Saudi and non-Saudi employees.

Exclusions: Self-employed persons.

#### Source of Funds

**Insured person:** None.

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

**Employer:** 2% of payroll.

The minimum monthly earnings used to calculate contributions are 1,500 riyals (400 riyals for persons covered for work injury only).

The maximum monthly earnings used to calculate contributions are 45,000 riyals.

**Government:** Any actuarial deficit.

### **Qualifying Conditions**

There is no minimum qualifying period for a work injury or an occupational disease. Accidents that occur while commuting to and from work are covered.

### **Temporary Disability Benefits**

100% of the insured's daily wage is paid for each day that the insured is unable to work; 75% if receiving inpatient treatment in a medical center paid for by the General Organization for Social Insurance.

### **Permanent Disability Benefits**

**Permanent disability pension:** For an assessed degree of disability of 100%, 100% of the insured's average monthly earnings is paid to insured Saudi workers; a lump sum of 84 months of the benefit paid to insured Saudi workers, up to 330,000 riyals, is paid to non-Saudi workers.

Average monthly earnings are based on the three-month period immediately before the disability began.

The minimum pension is 1,984 riyals a month.

Constant-attendance supplement: 50% of the disability pension is paid (up to 3,500 riyals) if the insured requires the constant attendance of others to perform daily functions. The General Organization for Social Insurance's medical board assesses the need for constant attendance.

Partial disability: If assessed with a degree of disability of 50% to 99%, the permanent disability pension amount multiplied by the assessed degree of disability is paid to insured Saudi workers; a lump sum of 60 months of the benefit paid to insured Saudi workers, up to 165,000 riyals, is paid to insured non-Saudi workers.

For an assessed degree of disability of less than 50% that began when the insured was aged 40 or younger, a lump sum of 60 months of permanent disability pension multiplied by the assessed degree of disability is paid; if the disability began when the insured was older than age 40, the lump sum is reduced by one month of pension for each year older than age 40.

The minimum partial disability lump sum is based on 36 months of the permanent disability pension.

The maximum partial disability lump sum is 165,000 riyals.

The General Organization for Social Insurance's medical board assesses the degree of disability.

### **Workers' Medical Benefits**

All necessary medical, dental, and diagnostic treatment; hospitalization; medicine; appliances; transportation; and rehabilitation.

### **Survivor Benefits**

**Survivor pension:** If there are three or more survivors, 100% of the permanent disability pension the deceased received or was entitled to receive is paid; 75% for two dependents; 50% for one dependent. The pension is split equally among all eligible survivors.

The minimum individual survivor pension is 396.75 riyals a month.

The minimum combined survivor pension is 1,984 riyals a month.

Eligible survivors include a widow(er); a son younger than age 19 (age 21 in the Hijri calendar; age 24 (age 26 in the Hijri calendar) if a full-time student; no limit if unable to engage in any occupation); an unmarried daughter; dependent brothers, sisters, parents, grandparents, and grandchildren in certain circumstances; and an ex-wife (according to Islamic law).

The pension for a female survivor ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

**Marriage grant:** A lump sum of 18 times the individual monthly survivor pension is paid upon marriage to a widow or an eligible daughter, sister, or granddaughter.

**Death grant:** A lump sum of three months of the permanent disability pension the deceased received or was entitled to receive is split equally among eligible survivors.

The maximum death grant is 10,000 riyals.

### **Administrative Organization**

General Organization for Social Insurance (<http://www.gosi.gov.sa/>) administers the program through district offices.

### **Unemployment**

#### **Regulatory Framework**

**First and current law:** 2014 (unemployment insurance).

#### **Coverage**

Private-sector employees and some categories of public-sector employees.

Exclusions: Agricultural workers, fishermen, household workers, family labor, foreign nationals, and self-employed persons. Excluded workers may be covered under certain conditions.

### **Source of Funds**

**Insured person:** 1% of monthly earnings.

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

**Employer:** 1% of payroll.

**Government:** Any actuarial deficit.

### **Qualifying Conditions**

Must be younger than age 58 (age 60 in the Hijri calendar) and have at least 12 months of contributions in the 36 months before the first claim; at least 18 months in the 36 months preceding the second claim; at least 24 months in the 36 months before the third claim; and at least 36 months in the 48 months before the fourth and subsequent claims.

Must be registered with a human resources development fund in the Ministry of Labor, be capable of and available for work, and have no other sources of income. Unemployment must not be due to voluntary leaving, misconduct, or the refusal of a suitable job offer.

### **Unemployment Benefits**

60% of the insured's average monthly contributory wage is paid during the first three months of unemployment; 50% thereafter. The benefit is paid for up to 12 months.

The minimum monthly benefit is 2,000 riyals or 100% of the insured's average monthly contributory wage, whichever is less.

The maximum monthly benefit is 9,000 riyals for the first three months and 7,500 riyals thereafter.

### **Administrative Organization**

General Organization for Social Insurance (<http://www.gosi.gov.sa/>) administers the program through district offices.

Human Resources Development Fund (<https://www.hrdf.org.sa/>) provides employment and training for unemployed workers.