

Bahrain

Exchange rate: US\$1.00 = 0.38 dinars.

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1976 (social insurance).

Type of program: Social insurance system.

Note: An income-tested benefit is paid to certain elderly persons, persons with disabilities, and survivors under Family Allowances.

Coverage

Citizens of Bahrain working in establishments with at least one employee or in one of the Gulf Cooperation Council countries (Kuwait, Oman, Qatar, Saudi Arabia, or United Arab Emirates).

Voluntary coverage for self-employed persons, persons who previously had at least five years of mandatory coverage, and citizens of Bahrain working abroad.

Exclusions: Household workers, certain groups of agricultural employees, casual workers, temporary noncitizen workers, and other groups specified by law.

Special system for public-sector employees.

Source of Funds

Insured person: 6% of monthly covered earnings; 15% of monthly declared income for the voluntarily insured.

The maximum monthly earnings used to calculate contributions are 4,000 dinars.

Self-employed person: 15% of monthly covered income.

The monthly income used to calculate contributions is determined by the self-employed person when joining the system.

The minimum monthly income used to calculate contributions is 200 dinars. If the self-employed person chooses a monthly income that is higher than 200 dinars when joining the system, the monthly income may be decreased annually by 5% but must not fall below 200 dinars.

The maximum monthly income used to calculate contributions when joining the system is 2,000 dinars. The maximum may be increased annually by 5% but must not exceed 4,000 dinars.

Employer: 9% of monthly covered payroll.

The maximum monthly earnings used to calculate contributions are 4,000 dinars.

Government: None.

Qualifying Conditions

Old-age pension: Age 60 (men) or age 55 (women) with at least 10 years of contributions.

Contributions may be credited under certain conditions for periods of employment prior to joining the program.

Usual employment must cease. A pensioner may work in a new job as long as the combined monthly income (pension plus earnings) does not exceed his or her average monthly earnings in the last two years.

Pension supplement: Paid to supplement an old-age pension.

Early pension: At any age with at least 20 years (men) or 15 years (women) of contributions.

Compensation for prolonged service: Paid if the insured has more than 40 years of contributions.

Old-age settlement: Age 60 (men) or age 55 (women) with less than 10 years of contributions.

Employment must cease.

The old-age settlement may be paid under certain other conditions, such as if the insured is incarcerated, permanently emigrates, becomes self-employed, is eligible for a pension from a different program, or is a married, divorced, or widowed woman at the time of the application.

Disability pension: Must be younger than the normal retirement age, be assessed with an incapacity for work that is expected to last for at least six months, and have at least six consecutive months of contributions immediately before the disability began or 12 nonconsecutive months of contributions with three months immediately before the disability began. The pension is also paid if the disability began within one year of ceasing contributions.

Pension supplement: Paid to supplement the disability pension.

The disability pension is payable abroad under certain conditions.

Disability settlement: Must be younger than the normal retirement age, be assessed with an incapacity for work that is expected to last for at least six months, and not meet the contribution requirements for a disability pension.

Survivor pension: The deceased received or was entitled to receive an old-age or disability pension at the time of death. The pension is also paid if the deceased died within one year of ceasing contributions, regardless of age.

Eligible survivors include a widow, a widower with a disability, orphans (unmarried daughters of any age; sons up to age 22, age 26 if a full-time student, no limit if disabled), and the deceased's dependent parents, brothers, and sisters.

Earnings test: No pension is paid to an orphan if his or her earnings are at least equal to the survivor pension.

The survivor pension for widows, daughters, or sisters ceases upon (re)marriage but may be reinstated if the survivor subsequently divorces or is widowed.

Pension supplement: Paid to supplement the survivor pension.

Marriage grant: Paid to each woman receiving a survivor pension upon (re)marriage. The grant is paid to each eligible survivor only once.

If a widow remarries or dies after the death of her insured or pensioner spouse, or if any of the survivors' pensions cease for any reason, the pension is redistributed to the remaining eligible survivors according to a schedule in law.

Survivor settlement: The deceased received or was entitled to receive an old-age or disability settlement at the time of death.

Eligible survivors include a widow, a widower with a disability, orphans (unmarried daughters of any age; sons up to age 22, age 26 if a full-time student, no limit if disabled), and the deceased's dependent parents, brothers, and sisters.

Death grant: Paid to eligible survivors according to a schedule in law when an insured person or pensioner dies.

Eligible survivors include a widow, a widower with a disability, orphans (unmarried daughters of any age; sons up to age 22, age 26 if a full-time student, no limit if disabled), and the deceased's dependent parents, brothers, and sisters.

Funeral grant: Paid to a widow, the deceased's eldest son, or the person who paid for the funeral.

Survivor benefits are payable abroad under certain conditions.

Old-Age Benefits

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

The maximum contribution period used to calculate the pension is 40 years (up to five years of credited contributions may be used to calculate the pension if the insured's total contribution period does not exceed 30 years).

The insured's average monthly earnings in the last two years of contributions used to calculate benefits must not exceed 150% of his or her monthly earnings five years before claiming the pension.

The minimum monthly old-age pension is the insured's average contributory wage in the last two years of contributions or 200 dinars, whichever is less. The minimum monthly pension for each family member (including the pensioner) is 35 dinars; the combined total may not exceed the insured's average contributory wage over the last two years.

The contributory wage is the insured's total monthly wage received in January of each year.

The maximum monthly old-age pension (excluding the pension supplement) is 80% of the insured's average monthly earnings in the last two years of contributions.

Pension supplement: 10% of the old-age pension is paid. Instead of an additional 10%, the insured may choose a lump sum of 3% of his or her average monthly earnings in the last two years of contributions multiplied by 12 times the number of years of contributions.

Early pension: The pension is reduced by 20% if it is claimed before age 45, by 15% if it is claimed from age 45 to 49, or by 10% if it is claimed from age 50 to 54.

Compensation for prolonged service: A lump sum of 11% of the insured's average annual earnings in the last two years is paid for each year of contributions exceeding 40 years.

Benefit adjustment: Benefits are increased by 3% every January.

Old-age settlement: A lump sum is paid of 15% of the insured's average monthly earnings in the last two years multiplied by 12 times the number of years of contributions plus 5% interest from the date contributions cease until the date the settlement is paid.

Permanent Disability Benefits

Disability pension: The pension is 44% of the insured's average monthly earnings in the last year of contributions before the disability began or 2% of the insured's average earnings in the last year of contributions multiplied by the number of years of contributions, whichever is greater.

The insured's average earnings in the last year of contributions used to calculate benefits must not exceed 150% of his or her monthly earnings five years before the disability began.

The minimum monthly disability pension is 44% of the insured's average monthly earnings in the last year of contributions or 200 dinars, whichever is greater.

The maximum monthly disability pension (excluding the pension supplement) is 80% of the insured's average monthly earnings in the last year of contributions.

Pension supplement: 10% of the disability pension is paid. Instead of an additional 10%, the pensioner may choose a lump sum of 3% of the average monthly earnings in the last year of contributions multiplied by 12 times the number of years of contributions.

Benefit adjustment: Benefits are increased by 3% every January.

Disability settlement: A lump sum is paid of 15% of the insured's average monthly earnings in the last year of contributions multiplied by 12 times the number of years of contributions plus 5% interest from the date the insured ceased employment due to disability until the date the settlement is paid.

Survivor Benefits

Survivor pension

Spouse's pension: 37.5% of the old-age or disability pension the deceased received or was entitled to receive is paid to a widow(er); 62.5% if there are no eligible orphans but there are other eligible survivors; 75% if there are no eligible orphans or other eligible survivors.

Orphan's pension: 50% of the old-age or disability pension the deceased received or was entitled to receive is split equally among the insured's eligible children.; 87.5% if there is no widow(er) but there are other eligible survivors; 100% if there is no widow(er) or other eligible survivors.

Other eligible survivors: 12.5% of the old-age or disability pension the deceased received or was entitled to receive is split equally among dependent parents, brothers, and sisters; 37.5% if there is a widow(er) but no eligible orphans; 62.5% if there no widow(er) or eligible orphans.

The deceased's average monthly earnings in the last year of contributions used to calculate benefits must not exceed his or her monthly earnings five years before death.

The minimum monthly survivor pension is 44% of the deceased's average monthly earnings in the last year of contributions or 200 dinars, whichever is greater. The minimum monthly survivor pension for each eligible survivor is 35 dinars.

The maximum monthly survivor pension (excluding the pension supplement) is 80% of the deceased's average monthly earnings in the last year of contributions.

Pension supplement: 10% of the survivor pension is paid. Instead of an additional 10%, the pensioner may choose a lump sum of 3% of the deceased's average monthly earnings in the last year of contributions multiplied by 12 times the number of years of contributions.

Marriage grant: A lump sum of 15 times the monthly survivor pension is paid.

Benefit adjustment: Benefits are increased by 3% every January.

Survivor settlement: A lump sum is paid of 15% of the deceased's average monthly earnings in the last two 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: A lump sum of six months of the deceased's average monthly earnings in the last year of contributions or the old-age or disability pension the deceased received or was entitled to receive is paid.

Funeral grant: A lump sum of three months of the deceased's average monthly earnings in the last year of contributions or the old-age or disability pension the deceased received or was entitled to receive is paid.

The minimum funeral grant is 500 dinars.

Administrative Organization

Ministry of Finance (<https://www.mofne.gov.bh>) provides general supervision.

Social Insurance Organization (<https://www.sio.gov.bh>), managed by a board of directors, administers the program and collects contributions.

Sickness and Maternity

Regulatory Framework

First and current laws: 1973 (constitution) and 2012 (labor law).

Type of program: Universal (medical benefits) and employer-liability (cash benefits) system.

Note: A 2018 law introduces mandatory health insurance as of January 2019, for citizens, residents, and temporary visitors of Bahrain.

Coverage

Universal (medical benefits): Citizens and residents of Bahrain.

Employer liability (cash benefits): Private-sector employees.

Exclusions: Self-employed persons.

Source of Funds

Insured person

Universal (medical benefits): None.

Employer liability (cash benefits): None.

Self-employed person

Universal (medical benefits): None.

Employer liability (cash benefits): Not applicable.

Employer

Universal (medical benefits): None.

Employer liability (cash benefits): The total cost.

Government

Universal (medical benefits): The total cost.

Employer liability (cash benefits): None.

Qualifying Conditions

Cash sickness benefit (employer liability): Must have been employed for at least three months before the incapacity began. Must provide a medical certificate from a Government Medical Center.

Cash maternity benefit (employer liability): There is no minimum qualifying period.

Medical benefits (universal): There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit (employer liability): 100% of the employee's earnings is paid for the first 15 days of incapacity; 50% from the 16th to the 35th day. Thereafter, the employee is entitled to an additional 20 days a year of unpaid sick leave.

Maternity benefit (employer liability): 100% of the employee's earnings is paid for 60 days. Thereafter, the employee is entitled to an additional 15 days of unpaid maternity leave.

Workers' Medical Benefits

Public hospitals and clinics provide free primary, secondary, and tertiary medical services.

Cost sharing: Some cost sharing may be required for certain services.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for workers.

Administrative Organization

Ministry of Labor and Social Development (<http://www.mlsd.gov.bh/>) provides general supervision of cash benefits.

Ministry of Health (<http://www.moh.gov.bh/>) provides general supervision and delivers medical benefits.

Work Injury

Regulatory Framework

First and current law: 1976 (social insurance).

Type of program: Social insurance system.

Coverage

Citizens of Bahrain working in establishments with one or more employees.

Exclusions: Self-employed persons, household workers, casual employees, family labor, and agricultural workers.

Special system for public-sector employees.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 3% of monthly covered payroll.

The maximum monthly earnings used to calculate contributions are 4,000 dinars.

Government: None.

Qualifying Conditions

Must be assessed with a work injury or occupational disease. Accidents that occur while commuting to and from work are covered.

Temporary Disability Benefits

100% of the insured's daily contributory wage is paid from the day after the disability began until recovery or certification of permanent disability. (The employer pays 100% of the daily contributory wage for the day the disability began.)

The contributory wage is the insured's total monthly wage received in January of each year.

A medical committee assesses the degree of disability. The Social Insurance Organization may request periodic medical examinations during the first four years of disability. The insured may also request a medical reexamination during this period.

Permanent Disability Benefits

Permanent disability pension: For an assessed degree of disability of 100%, 80% of the insured's last monthly earnings is paid. A supplement of 15% of the pension is paid if the pension is less than 50 dinars a month; 10% if the pension is at least 50 dinars a month.

The minimum monthly permanent disability pension is 200 dinars or 88% of the insured's contributory wage, whichever is greater.

The contributory wage is the insured's monthly wage received in January of each year.

Partial disability: For an assessed degree of disability of at least 30% but less than 100%, a percentage of the full permanent disability pension is paid depending on the assessed degree of disability. For an assessed degree of disability of less than 30%, a lump sum of 36 times the permanent disability pension multiplied by the assessed degree of disability is paid.

A medical committee assesses the degree of disability. The Social Insurance Organization may request periodic medical examinations during the first four years of disability. The insured may also request a medical reexamination during this period.

Benefit adjustment: Benefits are increased by 3% every January.

Workers' Medical Benefits

Medical benefits include the cost of all necessary medical treatment and medicine.

Survivor Benefits

Survivor pension

Spouse's pension: 37.5% of the permanent disability pension the deceased received or was entitled to receive is paid to a widow or to a widower with a disability; 62.5% if there is no eligible orphan; 75% if there are no other eligible survivors.

If a widow remarries or dies after the death of her insured or pensioner spouse, her share is redistributed to the remaining eligible survivors according to a schedule in law. If she remarries and is subsequently divorced or widowed, the pension may be reinstated.

Orphan's pension: 50% of the permanent disability pension the deceased received or was entitled to receive is split equally among the insured's children (unmarried daughters of any age, sons up to age 22, age 26 if a full-time student, no limit if disabled); 87.5% if there is no widow(er) but there are other eligible survivors; 100% if there is no widow(er) or other eligible survivors.

A daughter's pension ceases upon marriage (or if personal earnings are at least equal to the pension) but is reinstated if she is subsequently divorced or widowed.

Other eligible survivors: 12.5% of the permanent disability pension the deceased received or was entitled to receive is split equally among dependent parents, brothers, and sisters; 37.5% if there is a widow but no eligible orphan; and 62.5% if there are no other eligible survivors.

The maximum monthly survivor pension (excluding the pension supplement) is 80% of the deceased's average monthly earnings in the last year of contributions.

Pension supplement: 10% of the survivor pension is paid. Instead of an additional 10%, the pensioner may choose a lump sum of 3% of the deceased's average monthly earnings in the last two years multiplied by 12 times the number of years of contributions.

Benefit adjustment: Benefits are increased by 3% every January.

Marriage grant: See Old Age, Disability, and Survivors.

Death grant: See Old Age, Disability, and Survivors.

Funeral grant: See Old Age, Disability, and Survivors.

Administrative Organization

Ministry of Finance (<https://www.mofne.gov.bh>) provides general supervision.

Social Insurance Organization (<https://www.sio.gov.bh>), managed by a board of directors, administers the program and collects contributions.

Unemployment

Regulatory Framework

First and current law: 2006 (unemployment insurance).

Type of program: Social insurance system.

Coverage

Unemployment benefit: Legal residents of Bahrain, civil servants (regardless of nationality), and private-sector employees (regardless of nationality).

Exclusions: Self-employed persons.

Unemployment aid: Citizens of Bahrain.

Exclusions: Self-employed persons.

Source of Funds

Insured person: 1% of monthly covered earnings.

The maximum monthly earnings used to calculate contributions for private-sector employees are 4,000 dinars.

Self-employed: Not applicable.

Employer: 1% of the employee's monthly covered payroll.

The Labor Fund pays employer contributions for private-sector employees.

The maximum monthly earnings used to calculate contributions for private-sector employees are 4,000 dinars.

Government: 1% of the employee's monthly covered earnings; contributes as an employer; provides subsidies as needed.

The maximum monthly earnings used to calculate contributions for private-sector employees are 4,000 dinars.

Qualifying Conditions

Unemployment benefit: Must be younger than the normal retirement age and have at least 12 consecutive months of covered employment for the first claim; 12 months of covered employment in the last 18 months for the second claim; 18 months in the last 24 months for the third claim; and 36 months in the last 48 months for each subsequent claim. Must be registered at an employment office and be capable of and available for work. Unemployment must not be due to voluntary leaving, misconduct, or the refusal of a suitable job offer.

Unemployment aid: Paid to first-time job seekers or insured persons who do not qualify for the unemployment benefit. Must be aged 18 to the normal retirement age, not be engaged in gainful activity or own a business, and be capable of and available for work.

Unemployment Benefits

Unemployment benefit: 60% of the insured's average monthly earnings in the last 12 months is paid for up to six months.

The minimum monthly unemployment benefit is 150 dinars.

The maximum monthly unemployment benefit is 500 dinars.

Unemployment aid: 150 dinars a month (persons with academic qualifications) or 120 dinars a month (other unemployed persons) is paid for up to six months.

Administrative Organization

Ministry of Labor and Social Development (<http://www.mlsd.gov.bh/>) registers unemployed persons, determines benefit eligibility and provides training.

Social Insurance Organization (<https://www.sio.gov.bh/>), managed by a board of directors, administers the program and collects contributions.

Family Allowances

Regulatory Framework

First law: 1981 (social assistance).

Current laws: 1999 (subsidies), 2006 (social assistance), and 2013 (financial compensation).

Type of program: Social assistance system.

Coverage

Needy permanent resident citizens of Bahrain.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Income support (income tested): Paid to orphans, widows, abandoned women, older persons, persons with disabilities, and certain other vulnerable persons without family support.

Income test: The family's monthly per capita income must not exceed a certain limit.

Financial compensation: Paid to families receiving income support to subsidize the cost of certain foodstuffs.

Family Allowance Benefits

Income support (income tested): 70 dinars to 150 dinars a month is paid depending on household circumstances and the number of eligible beneficiaries.

Financial compensation: 5 dinars a month is paid to a head of a household, 3.5 dinars for each additional adult, and 2.5 dinars for each dependent child.

Schedule of payments: The financial compensation is paid quarterly.

Social assistance beneficiaries may pay reduced fees for certain services such as electricity and water.

Administrative Organization

Ministry of Labor and Social Development (<http://www.mlsd.gov.bh/>) provides general supervision and administers the program.