

Kuwait

Exchange rate: US\$1.00 = 0.30 dinars.

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1976 (civilians), implemented in 1977; 1980 (military), implemented in 1981; 1992 (supplemental), implemented in 1995; and 2014 (social insurance).

Type of program: Social insurance system.

Coverage

Basic pensions: Public-, private-, and oil-sector employees, self-employed persons, and military personnel; and citizens of Kuwait working in one of the Gulf Cooperation Council countries (Bahrain, Oman, Qatar, Saudi Arabia, or United Arab Emirates).

Supplemental pensions: Employed persons with monthly earnings above 1,500 dinars.

Exclusions: Self-employed persons.

Remuneration pension: Employed persons.

Voluntary coverage for citizens of Kuwait working abroad or for diplomatic missions or international organizations in Kuwait.

Source of Funds

Insured person

Basic pensions: 5% of monthly covered earnings.

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

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

Supplemental pensions: 5% of monthly covered 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.

An additional 2.5% of monthly earnings up to 2,750 dinars finances benefit adjustments for basic and supplemental pensions.

Remuneration pension: 2.5% of monthly covered earnings.

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

Contributions to the remuneration pension cease after 18 years of contributions.

Self-employed person

Basic pensions: 5% to 15% of monthly covered declared earnings, chosen by the self-employed person from 27 income bands.

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

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

An additional 3.5% of monthly earnings up to 1,500 dinars finances benefit adjustments for basic pensions.

Supplemental pensions: Not applicable.

Remuneration pension: 2.5% of monthly covered declared earnings.

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

Contributions to the remuneration pension cease after 18 years of contributions.

Employer

Basic pensions: 10% of monthly covered payroll.

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

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

Supplemental pensions: 10% of monthly covered 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.

An additional 1% of monthly earnings up to 2,750 dinars finances benefit adjustments for basic and supplemental pensions.

Remuneration pension: None.

Government

Basic pensions: Finances any deficit; 10% of monthly payroll (public-sector employees), 32.5% of monthly payroll (military personnel), and 25% of monthly declared earnings minus the self-employed persons' contributions (self-employed persons).

Supplemental pensions: 10% of monthly covered 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.

An additional 2.5% of monthly earnings up to 2,750 dinars finances benefit adjustments for basic and supplemental pensions.

Remuneration pension: 5% of monthly covered payroll.

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

Contributions to the remuneration pension cease after 18 years of contributions.

Qualifying Conditions

Old-age pension: The pension consists of a basic pension, a supplemental pension, and a remuneration pension.

Basic pension: Age 53 (gradually rising to age 55 by 2020) with at least 15 years of contributions; age 49 (men and unmarried women with no children, gradually rising to age 55 by 2020) with at least 20 years of contributions; age 48 (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 or at least 15 years for women who care for a husband or child with a disability; age 60 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 maximum basic old-age pension is paid with 30 years of contributions (27.5 years for military).

Deferred basic pension: The basic pension may be deferred if the insured continues to work beyond the normal retirement age. There is no age limit.

The basic old-age pension is not payable abroad.

Supplemental pension: The insured meets the qualifying conditions for the old-age basic pension.

Deferred supplemental pension: The supplemental pension may be deferred if the insured continues to work beyond the normal retirement age.

The supplemental old-age pension is not payable abroad.

Remuneration pension: Must qualify for a basic or supplemental old-age pension and have at least 24 months of contributions after 2014 (certain exceptions apply); self-employed persons must have at least one year of contributions but not qualify for a basic or supplemental old-age pension at the normal retirement age, or must have at least 30 years of contributions for the basic pension.

Disability pension: The pension consists of a basic pension and a supplemental pension.

Basic pension and supplemental pension: Must have an assessed loss of work capacity of at least 50%.

The general medical council assesses the loss of work capacity.

The basic and supplemental disability pensions are not payable abroad.

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

Eligible survivors include widows; a dependent widower with a disability and incapable of working; sons up to age 26 (age 28 if a full-time student, no limit if disabled); unmarried daughters of any age; dependent parents, brothers, sisters, and grandchildren under certain conditions.

The survivor pension is suspended upon (re)marriage and resumes if the eligible survivor divorces or is widowed.

Marriage grant: Paid to the deceased's daughter or sister, or the daughter of the deceased's son, upon (re)marriage.

The survivor pension is not payable abroad.

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

The death grant is not payable abroad.

Old-Age Benefits

Old-age pension: The pension consists of a basic pension, a supplemental pension, and a remuneration pension.

Basic pension: The monthly pension is 65% (75% for military personnel) of the insured's last monthly earnings (for employed persons) or average monthly earnings 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.

Deferred basic pension: In addition to the full basic pension, a lump sum of 10% of the insured's last annual earnings is paid for each of the first five years exceeding 30 years; 12% for each of the next five years; 15% for each of the subsequent five years; and 20% for each year thereafter.

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

Supplemental pension: The monthly pension is 25% to 30% (depending on the insured's age) of the insured's average monthly earnings during the total contribution period plus 5% for each year of contributions, divided by a fixed amount of 202 dinars to 120 dinars (depending on the insured's age).

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

Deferred supplemental pension: The pension is increased by 5% for each year of deferral.

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

The minimum monthly combined basic and supplemental pension ranges from 577 dinars (women and single men) to 990 dinars (men with five or more dependent children).

Remuneration pension: The pension is calculated based on the insured's earnings used to calculate the basic pension multiplied by the number of years of contributions, up to 18 years.

Permanent Disability Benefits

Disability pension: The pension consists of a basic pension and a supplemental pension.

Basic pension: The monthly pension is 65% (75% for military personnel) of the insured's last monthly earnings (for employed persons) or average monthly earnings 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 years of contributions from the date the disability began up to age 59.

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

Supplemental pension: The monthly pension is 25% to 30% (depending on the insured's age) of the insured's average monthly earnings during the total contribution period plus 5% for each year of contributions, divided by a fixed amount ranging from 202 dinars to 120 dinars (depending on the insured's age).

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

The insured is credited with years of contributions from the date the disability began up to age 59.

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

Survivor Benefits

Survivor pension: 100% of the old-age pension (basic, supplemental, and remuneration pensions) the deceased received or was entitled to receive is paid, based on the number and category of eligible survivors. The survivor pension is split among eligible survivors in proportions determined by law.

The minimum monthly survivor pension is 250 dinars for a widow or a dependent widower; 196 dinars for each parent; 126 dinars for each of the other eligible survivors.

The survivor 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.

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

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

Death grant: The grant is twice the deceased's last monthly earnings or the old-age pension (basic and supplemental pensions) the deceased received or was entitled to receive.

The minimum death grant is 230 dinars.

Administrative Organization

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

Sickness and Maternity

Regulatory Framework

First and current laws: 1984 (health regions), 1998 (health administration), and 2010 (labor law).

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

Coverage

Universal (medical benefits): Citizens of Kuwait.

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

Exclusions: Self-employed persons.

Special systems for public-sector employees.

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 and maternity benefits (employer liability): Must be currently employed and provide a medical certificate.

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; 75% from the 16th to the 25th day; 50% from the 26th to the 35th day; and 25% from the 36th to the 45th day. Thereafter, the employee is entitled to an additional 30 days a year of unpaid leave.

Maternity benefit (employer liability): 100% of the employee's earnings is paid for 70 days. Thereafter, the employee is entitled to an additional four months of unpaid leave.

Workers' Medical Benefits

Government hospitals and health facilities provide free health care. Benefits include primary, pediatric, maternity, diabetes, preventive, dental, and nursing care; and medicine.

Dependents' Medical Benefits

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

Administrative Organization

Ministry of Social Affairs and Labor provides general supervision of the employer-liability cash benefits.

Ministry of Health provides general supervision of the universal medical benefits.

Government hospitals and health facilities deliver medical benefits.

Work Injury

Regulatory Framework

First and current laws: 1976 (social insurance), not yet implemented; and 2010 (labor law).

Type of program: Employer-liability system.

Note: There is no work injury program for permanent disability and survivor benefits. These benefits are available through the social insurance program under Old Age, Disability, and Survivors.

Coverage

Employer liability: Private-sector employees.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost.

Government: None.

Qualifying Conditions

Must be assessed with a work injury or occupational disease.

Temporary Disability Benefits

100% of the employee's earnings is paid for up to six months; thereafter, 50% of the employee's earnings is paid until full recovery or certification of a permanent disability.

Permanent Disability Benefits

Disability pension: See Old Age, Disability, and Survivors.

Workers' Medical Benefits

The employer pays the cost of necessary medical treatment, including medicine and transport.

Survivor Benefits

Survivor pension: See Old Age, Disability, and Survivors.

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

Administrative Organization

Ministry of Social Affairs and Labor provides general supervision.

Unemployment

Regulatory Framework

First and current law: 2013 (unemployment insurance).

Type of program: Social insurance system.

Coverage

Citizens of Kuwait working in the private and oil sectors, including in one of the Gulf Cooperation Council countries (Bahrain, Oman, Qatar, Saudi Arabia, or United Arab Emirates).

Exclusions: Self-employed persons and public-sector employees.

Source of Funds

Insured person: 0.5% of monthly covered earnings.

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

Self-employed: Not applicable.

Employer: 0.5% of monthly covered payroll.

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

Government: None.

Qualifying Conditions

Must be aged 18 to 59 and ineligible for an old-age pension. Must have at least six consecutive months of contributions immediately before making the first claim; a total of 18 months of contributions, including at least six consecutive months immediately before making the second claim; or a total of 36 months of contributions, including at least six consecutive months immediately before making any subsequent claim.

Unemployment Benefits

60% of the insured's last monthly earnings plus the supplemental old-age pension the insured would be entitled to receive is paid for up to six months.

Administrative Organization

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

Family Allowances

Regulatory Framework

First law: 1968 (public assistance).

Current laws: 1978 (public assistance), 1993 (housing assistance), 2011 (assistance act), and 2013 (linkage of benefits).

Type of program: Social assistance system.

Coverage

Needy citizens of Kuwait.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Family allowance (income tested): Paid to persons older than age 60, persons with disabilities, orphans, widows, and certain other vulnerable women and families.

Income test: Monthly family income must not exceed a certain limit.

Housing allowance: Paid to households receiving a family allowance to subsidize housing costs.

Family Allowance Benefits

Family allowance (income tested): The benefit amount varies depending on household circumstances.

The minimum monthly family allowance is 255 dinars.

The maximum monthly family allowance is 1,200 dinars.

Housing allowance: Up to 150 dinars a month is paid.

Administrative Organization

Ministry of Social Affairs and Labor provides general supervision and administers the program.