

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, certain categories of public-sector employees, and citizens working abroad for Saudi employers.

Voluntary coverage for self-employed persons; noncovered persons who previously had mandatory coverage or who work for diplomatic missions or international organizations in Saudi Arabia; and citizens working abroad for non-Saudi employers.

Exclusions: Agricultural workers, fishermen, household workers, family labor, certain foreign nationals, and foreign diplomats and employees of international organizations or military missions. 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 program may request to have contribution periods credited toward the public social insurance program and vice versa.

Source of Funds

Insured person: 9% of gross monthly covered 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 monthly covered declared earnings.

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 monthly covered 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: Finances any actuarial deficit; contributes as an employer.

Qualifying Conditions

Old-age pension: Age 58 (men, age 60 in the Hijri calendar) or age 53 (women, age 55 in the Hijri calendar) with at least 120 months of contributions (up to 60 months may be retroactively purchased); 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.

Old-age settlement: Age 58 (age 60 in the Hijri calendar) and does not qualify for an old-age pension.

Disability pension: Must be younger than age 58 (age 60 in the Hijri calendar) and assessed with an incapacity for work that is expected to last for at least six months. If the disability began while the insured was in covered employment, the insured 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 program at age 48 (age 50 in the Hijri calendar) or older).

If the insured was no longer in covered employment when the disability began, he or she 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: Must be younger than age 58 (age 60 in the Hijri calendar), be assessed with an incapacity for work that is expected to last for at least six months, and 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 program at age 48 (age 50 in the Hijri calendar) or older); or was an old-age or disability pensioner.

If the deceased was no longer in covered employment at the time of death and was not a pensioner, he or she must have met the contribution requirements for the old-age pension.

Eligible survivors include a widow; a nonworking widower aged 60 or older (no limit if disabled); 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 under certain conditions; and an ex-wife (according to Islamic law).

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

Remarriage settlement: Paid upon (re)marriage to a widow or an eligible daughter, sister, or granddaughter.

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

Eligible survivors include a widow; a nonworking widower aged 60 or older (no limit if disabled); 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).

Death grant: Paid to eligible survivors.

Old-Age Benefits

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

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 retirement, special provisions apply to adjust the average monthly earnings used to calculate benefits.

The minimum monthly old-age pension is 1,983.75 riyals.

Early pension: Calculated in the same way as the old-age pension.

Old-age settlement: A lump sum of 10% of the insured's average monthly earnings in 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 in 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 in the last 24 months before the disability began (or over the total contribution period if less than two years), whichever is greater.

If the insured was 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 disability pension is 1,983.75 riyals.

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

The maximum monthly constant-attendance supplement is 3,500 riyals.

Disability settlement: A lump sum of 10% of the insured's average monthly earnings in 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 in the last 24 months before death for each year of contributions if the deceased was in covered employment at the time of death) is paid; 75% 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 1,983.75 riyals.

Remarriage settlement: A lump sum of 18 times the individual monthly survivor pension is paid.

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

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

General Organization for Social Insurance (<https://www.gosi.gov.sa/>) collects contributions and administers the programs through district offices.

Sickness and Maternity

Regulatory Framework

First law: 1969 (labor code).

Current law: 2005 (labor code).

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

Coverage

Universal (medical benefits): Citizens of Saudi Arabia.

Employer liability (cash benefits): Employed persons.

Exclusions: Self-employed persons, household workers, family labor, professional athletes, certain agricultural and fishery employees, and certain foreign workers.

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; contributes as an employer.

Qualifying Conditions

Cash sickness benefit (employer liability): Must be currently employed and provide a medical certificate.

Cash maternity benefit (employer liability): Must have at least 12 months of continuous employment with the same employer.

Cash paternity benefit (employer liability): Must be currently employed.

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

Sickness and Maternity Benefits

Sickness benefit (employer liability): 100% of employee's previous earnings is paid for the first 30 days of sick leave; 75% from the 31st to the 90th day. Thereafter, the employee

is entitled to an additional 30 days a year of unpaid sick leave.

Maternity benefit (employer liability): 100% of the employee's previous earnings is paid for 10 weeks.

Paternity benefit (employer liability): 100% of the employee's previous earnings is paid for three days.

Workers' Medical Benefits

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

Dependents' Medical Benefits

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

Administrative Organization

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

Ministry of Health (<https://www.moh.gov.sa/>) provides general supervision for medical benefits and delivers medical services through hospitals and health centers.

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 employees and certain categories of public-sector employees.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 2% of monthly covered 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: Finances any actuarial deficit; contributes as an employer.

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 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 a Saudi worker with a total (100%) disability, 100% of the insured's average monthly earnings is paid. For a non-Saudi worker with a total (100%) disability, a lump sum of 84 months of the insured's average monthly earnings is paid.

Average monthly earnings are based on the insured's earnings in the last three months before the disability began.

The minimum monthly total disability benefit for Saudi workers is 1,983.75 riyals.

The maximum lump-sum total disability benefit for non-Saudi workers is 330,000 riyals.

Constant-attendance supplement: 50% of the permanent disability benefit is paid if the insured is a citizen of Saudi Arabia and requires the constant attendance of others to perform daily functions.

The maximum monthly constant-attendance supplement is 3,500 riyals.

The General Organization for Social Insurance's medical board assesses the need for constant attendance.

Partial disability: For a Saudi worker with an assessed degree of disability of 50% to 99%, the monthly benefit is the insured's average monthly earnings multiplied by the assessed degree of disability. For a non-Saudi worker with an assessed degree of disability of 50% to 99%, a lump sum of 60 months of the insured's average monthly earnings is paid.

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 the insured's average monthly earnings 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 average monthly earnings for each year the insured was older than age 40.

The minimum lump-sum partial disability benefit is 36 months of average monthly earnings.

The maximum lump-sum partial disability benefit for non-Saudi workers is 165,000 riyals.

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

Workers' Medical Benefits

All necessary medical care is provided, including dental and diagnostic treatment; hospitalization; medicine; appliances; transportation; and rehabilitation.

Survivor Benefits

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

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

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

Administrative Organization

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

Unemployment

Regulatory Framework

First and current law: 2014 (unemployment insurance).

Type of program: Social insurance system.

Coverage

Private-sector employees, certain categories of public-sector employees, and citizens working abroad for Saudi employers.

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

Source of Funds

Insured person: 1% of gross monthly covered 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 persons: Not applicable.

Employer: 1% of monthly covered 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: Finances any actuarial deficit; contributes as an employer.

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 before 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 and Social Development, 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 covered earnings is paid for the first three months of unemployment; 50% thereafter. The benefit is paid for up to 12 months.

The minimum monthly unemployment benefit is 2,000 riyals, up to 100% of the insured's average monthly covered earnings.

The maximum monthly unemployment 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/>) collects contributions and administers the program through district offices.

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

Family Allowances

Regulatory Framework

First and current law: 2006 (social assistance benefit).

Type of program: Social assistance system.

Coverage

Needy citizens of Saudi Arabia and certain foreign citizens with permanent residency.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Family allowance (means tested): Paid to persons older than age 60, persons with disabilities, orphans younger than age 18 (age 26 if a student), widows of Saudi citizens with dependents younger than age 18, and certain other vulnerable women and families.

Means test: The family allowance benefit is reduced if the beneficiaries' regular monthly income exceeds 50% of the monthly benefit.

Family Allowance Benefits

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

The maximum monthly family allowance benefit is 5,000 riyals for a family with 15 members (2017).

Under certain conditions, a lump sum of up to 30,000 riyals may be paid.

Administrative Organization

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