

## 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.

#### Coverage

Employed Bahraini citizens 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 persons with at least five years of previous compulsory social security coverage, self-employed persons, and other Bahraini citizens 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 earnings; 15% of declared monthly income for the voluntarily insured.

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

**Self-employed person:** 15% of monthly 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 minimum that is higher than 200 dinars when joining the system, the minimum may be decreased annually by 5% but must not be 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 the employee's monthly earnings.

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.

Periods of employment prior to joining the scheme may be credited under certain conditions.

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

Usual employment must cease.

Earnings test: Pensioners may work in a new job as long as the combined monthly income (pension plus earnings) does not exceed the insured's average monthly earnings in the last two years.

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

**Old-age settlement:** Age 60 (men) or age 55 (women) and does not meet the contribution requirements for the old-age pension.

Employment must cease.

The old-age settlement may be paid in certain other circumstances, 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:** The insured was younger than age 60 (men) or age 55 (women) when the disability began and had 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.

**Disability settlement:** The insured does 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 or had at least six consecutive months of contributions immediately before death or 12 nonconsecutive months of contributions with three months immediately before 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 for orphans: No pension is paid if personal earnings are at least equal to the survivor pension.

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

Marriage grant: A lump sum is paid to each woman receiving a survivor pension who marries. The grant is paid to each 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 did not meet the contribution requirements for a survivor pension 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.

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

### **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 minimum pension is the insured's average contributory wage during the last two years of contributions or 200 dinars a month, whichever is less. The minimum pension for each family member (including the pensioner) is 35 dinars a month; 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 pension is 80% of the insured's average earnings in the last two years of contributions plus an additional 10% of the pension. Instead of an additional 10%, the pensioner may choose a lump sum of 3% of the insured's average monthly earnings in the last two years of contributions multiplied by 12 times the number of years of contributions.

The insured's average monthly earnings in the last two years of contributions must not exceed 150% of the insured's monthly earnings five years before claiming the pension.

**Early pension:** The pension is reduced by 20% if the insured retires before age 45, by 15% if aged 45 to 49, or by 10% if aged 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 contribution year exceeding 40 years.

**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 first paid.

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

### **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 during the last year of contributions multiplied by the number of years of contributions, whichever is greater.

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

The maximum pension is 80% of the insured's average earnings in the last year of contributions plus an additional 10% of the pension. 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.

The insured's average earnings in the last year of contributions must not exceed 150% of the insured's monthly earnings five years before the disability began.

**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 of the settlement.

Benefits are payable abroad in certain circumstances.

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

### **Survivor Benefits**

**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 is no eligible orphan; 75% if there are no 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; 62.5% if the widow is the only eligible survivor.

If there are no other eligible survivors, 100% of the old-age or disability pension the deceased received or was entitled to receive is paid to a full orphan; 87.5% if there is no widow but there are 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 no eligible orphan; 62.5% if there are no other eligible survivors.

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

The maximum pension is 80% of the deceased's average monthly earnings in the last year of contributions plus an additional 10% of the pension. 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.

The deceased's average monthly earnings in the last year of contributions must not exceed the deceased's monthly earnings five years before death.

All survivor benefits combined must not exceed 44% of the deceased's average monthly earnings in the last year of contributions or 2% of the deceased's average monthly earnings in the last year of contributions multiplied by the number of years of contributions, whichever is greater.

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

**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 first 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.

Benefits are payable abroad in certain circumstances.

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

### **Administrative Organization**

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

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

### **Sickness and Maternity**

#### **Regulatory Framework**

**First and current law:** 2012 (labor law).

**Type of program:** Employer-liability (cash benefits) and universal (medical benefits) system.

### **Coverage**

**Cash benefits:** Private-sector employees.

Exclusions: Self-employed persons.

**Medical benefits:** Citizens and residents of Bahrain.

### **Source of Funds**

#### **Insured person**

*Cash benefits:* None.

*Medical benefits:* None.

#### **Self-employed person**

*Cash benefits:* Not applicable.

*Medical benefits:* None.

#### **Employer**

*Cash benefits:* The total cost.

*Medical benefits:* None.

#### **Government**

*Cash benefits:* None.

*Medical benefits:* The total cost.

### **Qualifying Conditions**

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

**Cash sickness benefits (employer liability):** Must have been employed for at least three months. Must provide a medical certificate from a Government Medical Center.

### **Sickness and Maternity Benefits**

**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.

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

### **Workers' Medical Benefits**

**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 the insured.

### **Administrative Organization**

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

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

### **Work Injury**

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#### **Regulatory Framework**

**First and current law:** 1976 (social insurance).

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

#### **Coverage**

Employed persons in establishments with one or more employees.

Exclusions: Household workers, casual employees, family labor, self-employed persons, and agricultural workers.

Special system for public-sector employees.

#### **Source of Funds**

**Insured person:** None.

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

**Employer:** 3% of the employee's monthly earnings.

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

**Government:** None.

#### **Qualifying Conditions**

There is no minimum qualifying period.

#### **Temporary Disability Benefits**

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

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.

The minimum pension is 200 dinars a month 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:** A percentage of the full pension is paid according to the assessed degree of disability. For a loss of working capacity of less than 30%, a lump sum of 36 times the monthly 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**

**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); 62.5% if the widow is the only eligible survivor.

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.

If there is no other eligible survivor, 100% of the permanent disability pension the deceased received or was entitled to receive is paid to each eligible full orphan; 87.5% if there are other eligible survivors but no widow.

**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 minimum pension is 200 dinars a month or 88% of the deceased's last contributory wage, whichever is higher. The contributory wage is the deceased's monthly wage received in January of each year. The minimum pension for each surviving family member is 35 dinars a month.

The maximum pension is 80% of the deceased's average monthly earnings in the last year of contributions plus an additional 10% of the pension. 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.

All survivor benefits combined must not exceed 44% of the deceased's average monthly earnings in the last year of contributions or 2% of the deceased's average monthly earnings in the last year of contributions multiplied by the number of years of contributions, whichever is greater.

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

**Marriage grant:** A lump sum of 15 times the monthly pension is paid to each woman receiving a survivor pension who marries. The grant is paid to each survivor only once.

**Death grant:** A lump sum of six months of the deceased's earnings or the permanent disability pension the deceased received or was entitled to receive is paid.

**Funeral grant:** A lump sum of three months of the deceased's earnings or the permanent disability pension the deceased received or was entitled to receive is paid.

The minimum funeral grant is 500 dinars.

Benefits are payable abroad in certain circumstances.

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

### **Administrative Organization**

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

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

## **Unemployment**

### **Regulatory Framework**

**First and current law:** 2006 (unemployment insurance).

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

### **Coverage**

Legal residents of Bahrain, civil servants (regardless of nationality), private-sector employees (regardless of nationality), and first-time job seekers (Bahraini citizens only).

**Exclusions:** Self-employed persons.

### **Source of Funds**

**Insured person:** 1% of total monthly salary.

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 total monthly salary.

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 private-sector employee's total monthly salary; contributes as an employer.

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 retirement age and have at least 12 consecutive months of employment for the first benefit claim; 12 months of employment during the last 18 months for the second benefit claim; 18 months during the last 24 months for the third benefit claim; and 36 months during 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 retirement age. Must not be engaged in gainful activity or own a business, and must be capable of and available for work.

### **Unemployment Benefits**

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

The minimum unemployment benefit is 150 dinars a month.

The maximum unemployment benefit is 500 dinars a month.

**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/en>) registers unemployed persons, makes decisions on benefit entitlement, and provides training.

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