

Kuwait

Exchange rate: US\$1.00 equals 0.29 dinars.

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1976 (basic scheme), implemented in 1977; and 1992 (supplementary scheme), implemented in 1995.

Type of program: Social insurance system.

Coverage

Basic scheme: All employees.

Special systems for the self-employed and military personnel.

Supplementary scheme: Employees with covered earnings above 1,250 dinars a month and persons with sources of earnings not covered by the basic scheme.

Voluntary coverage for the self-employed (not yet implemented).

Source of Funds

Basic scheme

Insured person: 5% of covered earnings, plus 1% of covered earnings (from August 1, 2004) for the pension increment.

Self-employed person: Not applicable.

Employer: 10% of covered payroll, plus 1% of covered payroll (from August 1, 2004) for the pension increment.

Government: A subsidy equal to 10% of covered payroll, plus 2% of covered payroll (from August 1, 2004) for the pension increment.

The minimum monthly earnings for contribution and benefit purposes are 230 dinars.

The maximum monthly earnings for contribution and benefit purposes are 1,250 dinars.

Supplementary scheme

Insured person: 5% of covered earnings.

Self-employed person: Voluntary contributions of 15% of the monthly income level selected by the insured (not yet implemented).

Employer: 10% of covered payroll.

Government: None.

The maximum monthly earnings for contribution and benefit purposes are 1,000 dinars.

Qualifying Conditions

Old-age pension

Basic scheme: Age 50 with 15 years of contributions for men and women. (The pensionable age will increase gradually to age 55 by 2020.)

Age 40 with 15 years of contributions for married women and women with children. (The pensionable age will increase gradually to age 50 by 2020.)

At any age with 20 years of contributions for those in arduous work.

Early pension: Ages 46 to 49 with 20 years of contributions for men or unmarried women with no children. (The minimum age is to increase gradually to age 55 (men) or age 50 (women) by 2017.)

Retirement is necessary, except if moving from the public sector to the private sector, with certain conditions as to the length of service in the public sector.

Supplementary scheme: Awarded at the same time as the old-age pension under the basic scheme.

Deferred pension (supplementary scheme): The pension may be deferred.

Old-age pensions are not payable abroad.

Disability pension

Basic scheme: An assessed degree of incapacity for work of more than 50%.

Supplementary scheme: An assessed degree of incapacity for work of more than 50%.

The degree of incapacity for work is assessed by the general medical council.

Disability pensions are not payable abroad.

Survivor pension: The insured met the coverage requirements for a pension or was a pensioner at the time of death.

Death grant: Payable for the death of an insured person or pensioner.

Survivor benefits are not payable abroad.

Old-Age Benefits

Old-age pension

Basic scheme: 65% of the insured's last monthly earnings plus 2% for each year of contributions beyond 15 years.

The maximum pension is 95% of the insured's last monthly earnings.

Part of the pension may be paid as a lump sum at the pensioner's request before age 65.

Pension increment: 50 dinars.

Benefit adjustment: Benefits are adjusted every 3 years.

Supplementary scheme: Based on the number of years of contributions, age, and average covered earnings.

Part of the pension may be paid as a lump sum at the pensioner's request.

Deferred pension (supplementary scheme): The pension is increased by 5% for each year of deferral.

Benefit adjustment: Benefits are adjusted every 3 years.

Permanent Disability Benefits

Disability pension

Basic scheme: 65% of the insured's last monthly earnings plus 2% for each year of contributions beyond 15 years. A credited contribution period, equal to 60 years minus the insured's age at the onset of disability, is added to the number of years of contributions to calculate the pension.

The maximum benefit is 95% of earnings.

Pension increment: 50 dinars.

Benefit adjustment: Benefits are adjusted every 3 years.

Supplementary scheme: For those younger than age 60, the benefit is calculated as if the insured were age 60. A credited contribution period, equal to 60 years minus the insured's age at the onset of disability, is added to the number of years of contributions to calculate the pension.

Benefit adjustment: Benefits are adjusted every 3 years.

Survivor Benefits

Survivor pension: Up to 100% of the deceased's pension according to the number and category of eligible survivors. The survivor pension for different eligible categories of survivor is set according to the schedule in law.

Eligible survivors include widows (until remarriage), dependent widowers (if incapable of work as the result of a disability), children, parents, brothers, sisters, and a son's children. Sons must be younger than age 26; younger than age 28 if a student. There is no limit for unmarried female survivors (the pension is suspended on marriage but is reinstated if subsequently divorced or widowed) or disabled male survivors.

The pension is suspended or ceases if the survivor (except the widow) starts employment.

If a survivor's eligibility for the pension ceases, the pension is split among all remaining eligible survivors.

The minimum monthly pension is 160 dinars for a widow or a dependent widower, 130 dinars for each parent, or 83 dinars for each of the other survivors.

Death grant: Payable on the death of an insured person or pensioner. The grant is equal to twice the deceased's last monthly earnings or monthly pension. The minimum grant is twice the minimum wage in the private and oil sectors.

Benefit adjustment: Benefits are adjusted on an ad hoc basis, often coinciding with increases in civil servant salaries.

Administrative Organization

Managed by a board of directors chaired by the Minister of Finance, the Public Institution for Social Security (<http://www.pifss.gov.kw>) administers the program.

Work Injury

Regulatory Framework

First and current law: 1976 (social insurance), not yet implemented.

Type of program: Social insurance system.

Benefits are provided under the basic scheme for old-age, disability, and survivors, above.

The government pays for medical care in case of work injury.