

## Kuwait

Exchange rate: US\$1.00 = 0.29 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1976 (civilians), implemented in 1977; 1980 (military), implemented in 1981; and 1992 (supplementary), implemented in 1995.

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

#### Coverage

**Basic system:** Public, private, and oil sector employees, self-employed persons, and military personnel.

**Supplementary system:** Employees with covered monthly earnings greater than 1,250 dinars and those with sources of earnings not covered by the basic system.

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

#### Source of Funds

##### Basic system

**Insured person:** 5% of monthly earnings.

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

The maximum monthly earnings used to calculate contributions are 1,250 dinars.

**Self-employed person:** 5% to 15% of declared monthly income, chosen from 22 income bands by the self-employed person.

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

The maximum monthly earnings used to calculate contributions are 1,250 dinars.

**Employer:** 10% of payroll.

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

The maximum monthly earnings used to calculate contributions are 1,250 dinars.

**Government:** 10% of covered earnings for public employees, 32.5% of payroll for military personnel, and 25% of monthly income minus the self-employed persons' contributions for self-employed persons.

#### Supplementary system

**Insured person:** 5% of earnings exceeding 1,250 dinars.

The minimum monthly earnings used to calculate contributions are 1,251 dinars.

The maximum monthly earnings used to calculate contributions are 2,500 dinars.

**Self-employed person:** 5% of declared monthly income exceeding 1,250 dinars (not yet implemented).

The minimum monthly earnings used to calculate contributions are 1,251 dinars.

The maximum monthly earnings used to calculate contributions are 2,250 dinars.

**Employer:** 10% of the payroll exceeding 1,250 dinars.

The minimum monthly earnings used to calculate contributions are 1,251 dinars.

The maximum monthly earnings used to calculate contributions are 2,500 dinars.

**Government:** None.

Benefit adjustments under both systems are financed by a combined additional monthly contribution by the insured person (2%), self-employed person (3%), employer (1%), and government (2%) on total earnings, up to 2,500 dinars a month.

#### Qualifying Conditions

##### Old-age pension

**Basic system:** Age 50 with at least 15 years of contributions for men and women. (The pensionable age is increasing gradually to age 55 by 2020.)

Age 48 with at least 20 years of contributions for men and unmarried women with no children. (The pensionable age is increasing gradually to age 55 by 2020.)

Age 43 with at least 15 years of contributions for married women and women with children. (The pensionable age is increasing gradually to age 50 by 2020.)

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

At any age with at least 15 years of contributions for women who take care of a husband or a child with disabilities.

Age 65 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.

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

Deferred basic pension: The basic pension may be deferred.

Benefits are not payable abroad.

*Supplementary system:* Paid at the same time as the basic old-age pension.

Deferred supplementary pension: A deferred supplementary pension is possible.

Benefits are not payable abroad.

### Disability pension

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

The general medical council assesses the degree of disability.

Benefits are not payable abroad.

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

The general medical council assesses the degree of disability.

Benefits 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:** Paid on the death of an insured person or a pensioner.

Benefits are not payable abroad.

### Old-Age Benefits

#### Old-age pension

*Basic system:* The benefit is 65% (75% for military personnel) of the insured's last monthly earnings or the average monthly insured income in the last 3 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 1,250 dinars.

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

If an insured person has more than the required number of years of coverage at retirement, a lump sum is also paid.

Benefit adjustment: Flat-rate adjustments are made to benefits every 3 years.

*Supplementary system:* The benefit is the accrued sum in the insured's account divided by a fixed amount varying from 202 dinars to 120 dinars, according to the insured's age.

The accrued sum is calculated based on 15% to 25% (according to age) of the insured's average monthly earnings during the total contribution period plus 5% for each year of contribution.

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

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

Benefit adjustment: Flat-rate adjustments are made to benefits every 3 years.

The minimum monthly combined basic and supplementary pension ranges from 447 dinars (women and single men) to 860 dinars (men with 5 or more dependent children).

### Permanent Disability Benefits

#### Disability pension

*Basic system:* The benefit is 65% (75% for military personnel) of the insured's last monthly earnings, plus 2% for each year of contributions exceeding 15 years, up to 95% of earnings (100% for military personnel). The insured is credited with contribution years from the date the disability began until age 60.

Benefit adjustment: Flat-rate adjustments are made to benefits every 3 years.

*Supplementary system:* The benefit is the accrued sum in the insured's account divided by a fixed amount varying from 202 dinars to 120 dinars, according to the insured's age.

The accrued sum is calculated based on 15% to 25% (according to age) of the insured's average monthly earnings during the total contribution period plus 5% for each year of contribution.

The insured is credited with contribution years from the date the disability began until age 60.

Benefit adjustment: Flat-rate adjustments are made to benefits every 3 years.

#### Survivor Benefits

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

Eligible survivors include widows; dependent widowers (with a disability and incapable of working); children (sons must be younger than age 26 or age 28 if a full-time student); parents; brothers; sisters; and a son's children. There is no limit for unmarried female survivors or male survivors with disabilities.

The pension is suspended on marriage, but is reinstated if subsequently divorced or widowed.

The 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.

The minimum monthly pension is 229 dinars for a widow or a dependent widower; 180 dinars for each parent; 115 dinars for each of the other survivors.

Marriage grant: The deceased's daughter or sister or the daughter of the deceased's son receives a grant of 6 months of her share of the pension. The grant is paid to each survivor only once.

**Death grant:** The grant is twice the deceased's last monthly earnings or pension. The minimum grant is twice the minimum wage in the oil and private sectors.

Benefit adjustment: Flat-rate adjustments are made to benefits every 3 years.

### **Administrative Organization**

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

## **Work Injury**

---

### **Regulatory Framework**

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

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

There is no specific program for work injury. Cash benefits for a work-related injury are provided through the basic system of the Old Age, Disability, and Survivors program.

The government pays for any medical care required as the result of a work-related injury.