

Kuwait

Exchange rate: US\$1.00 = 0.28 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 monthly earnings greater than 1,500 dinars.

Source of Funds

Insured person

Basic system: 5% of monthly earnings.

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

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

Supplementary system: 5% of 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 under both systems.

Self-employed person

Basic system: 5% to 15% of declared monthly income, chosen by the self-employed person from 27 income bands. An additional 3.5% of declared monthly income up to 2,750 dinars finances benefit adjustments.

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

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

Supplementary system: Not applicable.

Employer

Basic system: 10% of payroll.

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

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

Supplementary system: 10% of 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 under both systems.

Government

Basic system: 10% of covered earnings (public employees), 32.5% of payroll (military personnel), and 25% of monthly income minus the self-employed persons' contributions (self-employed persons).

Supplementary system: 10% of 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 employees' monthly earnings or income (self-employed) up to 2,750 dinars finances benefit adjustments under both systems.

Qualifying Conditions

Old-age pension

Basic system: Age 50 (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 44 (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 disabilities; 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.

Benefits are not payable abroad.

Supplementary system: The qualifying conditions for the supplementary system are the same as those for the basic system.

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

Benefits are not payable abroad.

Disability pension

Basic system and 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 received or was entitled to receive an old-age pension at the time of death.

Eligible survivors include widows; dependent widowers with a disability and incapable of working; children (sons up to age 26; 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.

Marriage grant: Paid to the deceased's daughter or the daughter of the deceased's son.

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

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 insured's average monthly income 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 old-age pension, a lump sum of 10% of the insured's average monthly income in the last year of employment is paid for each of the first five years exceeding 30 years; 12% for the next five years; and 20% thereafter.

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

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

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

Deferred pension (supplementary system): The benefit 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 supplementary pension ranges from 547 dinars (women and single men) to 960 dinars (men with five 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 or the average monthly insured income 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 contribution years from the date the disability began until age 60.

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

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

The benefit is 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 three years.

Survivor Benefits

Survivor pension: The maximum pension is 100% of the old-age pension the deceased received or was entitled to receive, 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.

The pension is suspended on marriage but 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 242 dinars for a widow or a dependent widower; 190 dinars for each parent; 122 dinars for each of the other survivors.

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

Death grant: The grant is twice the deceased's last monthly earnings or the old-age pension the deceased received or was entitled to receive. The minimum grant is twice the minimum wage in the oil and private sectors.

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

Administrative Organization

Public Institution for Social Security (<http://www.pifss.gov.kw>) managed by a board of directors that is 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.

Unemployment

Regulatory Framework

First and current law: 2013 (unemployment insurance).

Type of program: Social insurance system.

Coverage

Kuwaiti employees in the private and oil sectors.

Exclusions: Self-employed persons.

Source of Funds

Insured person: 0.5% of monthly earnings.

Self-employed: Not applicable.

Employer: 0.5% of monthly earnings.

Government: Contributes as an employer.

Qualifying Conditions

Unemployment benefit: Aged 18 to 60 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; and 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 old-age pension the insured person would be entitled to receive under the supplementary system is paid for up to six months.

Administrative Organization

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