

Kuwait

Exchange rate: US\$1.00 = 0.30 dinars.

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1976 (civilians), implemented in 1977; 1980 (military), implemented in 1981; 1992 (supplementary), implemented in 1995; and 2014 (social insurance).

Type of program: Social insurance system.

Coverage

Basic system: Public-, private-, and oil-sector employees, self-employed persons, and military personnel; and Kuwaiti citizens working in one of the Gulf Cooperation Council countries (Bahrain, Oman, Qatar, Saudi Arabia, or United Arab Emirates).

Supplementary system: Employed persons with monthly earnings above 1,500 dinars.

Exclusions: Self-employed persons.

Remuneration system: Employed persons.

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 monthly 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 the basic and supplementary systems.

Remuneration system: 2.5% of monthly earnings.

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

Contributions to the remuneration system cease after 18 years.

Self-employed person

Basic system: 5% to 15% of declared monthly income, chosen by the self-employed person from 27 income bands.

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

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

An additional 3.5% of monthly earnings up to 1,500 dinars finances benefit adjustments under the basic system.

Supplementary system: Not applicable.

Remuneration system: 2.5% of declared monthly income.

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

Contributions to the remuneration system cease after 18 years.

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 the basic and supplementary systems.

Remuneration system: None.

Government

Basic system: 10% of payroll (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 the basic and supplementary systems.

Remuneration system: 5% of payroll.

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

Contributions to the remuneration system cease after 18 years.

Qualifying Conditions

Old-age pension

Basic system: Age 51 (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 46 (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 a disability; 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.

Remuneration system: Must qualify for a basic or supplementary old-age pension and have at least 24 months of contributions after 2014 (certain exceptions apply); self-employed persons must have at least one year of contributions but not qualify for a basic or supplementary pension at the normal retirement age, or must have at least 30 years of contributions to the basic system.

Disability pension

Basic system and supplementary system: Must have 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; a dependent widower with a disability and incapable of working; sons up to age 26 age 28 if a full-time student, no limit if disabled; daughters of any age; parents; brothers; sisters; and a son's children.

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 earnings 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 contributions, 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 577 dinars (women and single men) to 990 dinars (men with five or more dependent children).

Remuneration system: The pension is calculated based on the insured's earnings used to calculate the basic pension multiplied by the number of years of contributions, up to 18 years.

Permanent Disability Benefits

Disability 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 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 contributions, 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 contributions.

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: 100% of the old-age pension (basic, supplementary, and remuneration systems) the deceased received or was entitled to receive is paid, according to the number and category of eligible survivors. The survivor pension is split among eligible survivors in proportions determined by 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 250 dinars for a widow or a dependent widower; 196 dinars for each parent; 126 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 (basic and supplementary) 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 (<https://www.pifss.gov.kw/>) managed by a board of directors that is chaired by the Minister of Finance, administers the program.

Sickness and Maternity

Regulatory Framework

First and current laws: 1984 (health regions), 1998 (health administration), and 2010 (labor law).

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

Coverage

Cash benefits (employer liability): Private-sector employees.

Exclusions: Self-employed persons.

Medical benefits: Citizens of Kuwait.

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 sickness and maternity benefits (employer liability): There is no minimum qualifying period.

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

Sickness and Maternity Benefits

Sickness benefit (employer liability): 100% of the employee's earnings is paid for the first 15 days; 75% from the 16th to the 25th day; 50% from the 26th to the 35th day; and 25% from the 36th to the 45th day. Thereafter, the employee is entitled to an additional 30 days a year of unpaid leave.

Maternity benefit (employer liability): 70% of the employee's earnings is paid for 70 days. Thereafter, the employee is entitled to an additional four months of unpaid leave.

Workers' Medical Benefits

Government hospitals and health facilities provide free health care. Benefits include primary, pediatric, maternity, diabetes, preventive, dental, and nursing care; and medicine.

Dependents' Medical Benefits

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

Administrative Organization

Cash benefits: Ministry of Social Affairs and Labour (<http://www.mosal.gov.kw/>) provides general supervision.

Medical benefits: Ministry of Health provides general supervision.

Government hospitals and health facilities deliver medical benefits.

Work Injury

Regulatory Framework

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

Type of program: Social insurance system.

Note: Employment-related permanent disability and survivor pensions are paid under Old Age, Disability, and Survivors.

Coverage

Employer-liability system: Private-sector employees.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost.

Government: None.

Qualifying Conditions

There is no minimum qualifying period.

Temporary Disability Benefits

100% of the employee's earnings is paid for up to six months; thereafter, 50% of the employee's earnings is paid until full recovery or certification of permanent disability.

Permanent Disability Benefits

See Old Age, Disability, and Survivors.

Workers' Medical Benefits

The employer pays the cost of necessary medical treatment, including medicine and transport.

Survivor Benefits

See Old Age, Disability, and Survivors.

Administrative Organization

Ministry of Social Affairs and Labour (<http://www.mosal.gov.kw/>) provides general supervision.

Unemployment

Regulatory Framework

First and current law: 2013 (unemployment insurance).

Type of program: Social insurance system.

Coverage

Kuwaiti citizens working in the private and oil sectors, including in one of the Gulf Cooperation Council countries (Bahrain, Oman, Qatar, Saudi Arabia, or United Arab Emirates).

Exclusions: Self-employed persons.

Source of Funds

Insured person: 0.5% of monthly earnings.

The maximum monthly earnings used to calculate contributions are 2,750 dinars.

Self-employed: Not applicable.

Employer: 0.5% of monthly earnings.

The maximum monthly earnings used to calculate contributions are 2,750 dinars.

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 (<https://www.pifss.gov.kw/>), managed by a board of directors that is chaired by the Minister of Finance, administers the program.