

# PIFSS Guide



الهيئة العامة للأمنيات الاجتماعية  
The Public Institution For Social Security  
State of Kuwait



**This Guide...**

**Contains a summary of Social Insurance Law of the State of Kuwait and its amendments.**

**We hope that this issue will contribute to the enhancement of social insurance awareness within the community.**

**With the compliments of  
Public Relations & Information Department  
The Public Institution for Social Security  
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## Historical Background

- Kuwait began a pension scheme on 1/1/1955, within the framework of civil employee system and retirement in the public sector. The first independent law for pensions was issued in Law Decree No. (3) of 1960, which became effective as of 1/4/1960. This covered government employees, civil and military, and was followed by an independent law for pensions and indemnities for the military, in accordance with Law No. (27) of 1961, which came into force on 9/9/1961.
- None of the above laws constituted an integrated system of social security. Each of them dealt with a limited aspect and covered certain sectors of permanent government employees and the military.
- The first integrated law for social security was issued on 1/10/1976, in accordance with the Amiri Law Decree No. (61) of 1976, according to which The Public Institution for Social Security was established in order to implement the system it promulgated, which covers the following:
  - Old-age, disability, sickness and death insurance of civilians employed in the public sector as well as in the private and oil sectors.
  - Old-age, disability, sickness and death insurance of self employed and the like.
  - Work injury insurance.
- The application of insurance against old-age, disability, sickness and death of civilian employed insurance in the public sector as well as in the private and oil sectors came into force as of 1/10/1977. The implementation of insurance of the unemployed as well as work injury was postponed until the Institution made the necessary arrangements for their implementation.
- On 1/3/1981, old-age, disability, sickness and death insurance was applied to the self employed or any others in that category. Such insurance was optional for a period of five years from that date, but it became compulsory as of 1/3/1986.
- On 29/10/1980, law No. (69) of 1980, regarding military pension which covers the armed forces, the police and the volunteer national guard was issued .This went into effect as of 1/3/1981. The Public Institution for Social Security was entrusted with the application of this law. In this way it became the unified authority for the application of social security in Kuwait.
- Application of the insurance against work injury stipulated in the Social Security law is still pending; however, all forms of medical care are guaranteed for all Kuwaitis free of charge.
- Law No. (11) of 1988 extending the optional application of the social security system for Kuwaitis working for an employer not covered by the social security law in Kuwait or abroad was issued and became effective as of 1/10/1988.

- Law No. (128) of 1992 has been promulgated organizing the supplementary insurance and was effective as of 1/1/1995, considering the aforementioned insurance systems – civil or military – as basic systems complemented by the supplementary system covering the elements of the salary excluded from the salary concept in the basic insurance and for which a pension is decided and calculated under special rules and added to the retirement pension and forms a part thereof.
- Law No. (25) of 2001 has been issued under which a Retirement Pension Periodic Increase Fund is established for those treated under Social Security Law Provisions, Retirement Pensions and Remunerations of Military Staff Law and Law No. (11) of 1988.
- In 1/7/2001, Law No. (44) of 2007 has been issued regarding Extension of Insurance Protection to the Citizens of the Gulf Cooperation Council Countries (GCC) working in countries other than their home countries within any GCC country and the Law has been effective from 1/1/2006. (For Civilians only)
- In 14/4/2013, Law No. (101) of 2013 has been issued regarding Unemployment Insurance and the Law has been effective as of 1/5/2013 (for employees in the private or the oil sectors only).
- In 10/8/2014, Law No. (110) of 2014 has been issued in determining a Financial Remuneration for the Subjects of Social Security Law and Retirement Pensions and Remunerations of Military Staff Law upon the End of Contribution and has been effective from 1/1/2015
- Law No. (6) of 2016 regarding the extension of the insurance protection system for the GCC citizens in the military who are working abroad in any GCC country. (The law issued on 2/2/2016, and effective as from 1/7/2011 or on the date of enforcing the obligation in all GCC countries separately whichever comes first).

## Insured Persons

- The social security system currently in force in Kuwait covers all citizens who are active within the community regardless of their occupation.
- The system also covers the employees working for third parties in any sector and it covers the National Assembly members, Municipal Council members, mayors and trainees for work sponsors as well as the self employee such as merchants, and free-lancers such as physicians, engineers, lawyers, shopkeepers and Kuwaitis working abroad, and those who practice other professions which are officially licensed by competent authorities.

## Social Security System Resources

- Kuwait's social security system is mainly financed by contributions paid by three parties i.e.: the insured persons, the employers and the State Public Treasury.

- The insured person who works for a third party-employer, whether he is a civilian or a military staff, he shall bear a part of relevant contribution of the basic insurance equivalent to (5%) of his monthly salary which is subject to the social security system i.e. as for the government employees, it means the relevant salary plus the social allowance, including the children allowance. As for those who work in the private and oil sectors, the insured person receives for his work a minimum of (KD 230) per month and the maximum salary in all sectors of (KD 1500) per month. He shall also bear his part of the supplementary insurance in the amount of the mentioned rate of the supplementary salary in a maximum of (KD 1250) monthly.
- A self –employed insured person shall bear a part of the relevant contribution in the basic insurance between (5%) and (15%) pursuant to the income-bracket selected by him from the schedule of the said bracket which varies between (KD 200) and (KD 1500) with difference of (KD 50) between each bracket and the other.
- Employers shall bear a share in the contributions in the basic and supplementary insurance for his workers which is equivalent to (10%) of the salary of the insured person.
- Increment Pension Fund contributions shall be added to the previous contributions is calculated on the basis of total of basic and supplementary salary and currently in the amount of (1%) for the employer and (2.5%) for the insured person or the beneficiary.
- Unemployment Insurance Fund contributions shall be added to the previous contributions in the amount of (0.5%) for each of the employer and the insured person in the private and oil sectors as of 1/5/2013.
- Financial Remuneration Fund contributions shall be added to the previous contributions for the subjects to its provisions in the amount of (2.5%) from the basic salary in a maximum limit of (KD 1500) monthly or income bracket and shall be borne by the insured person.
- The State Public Treasury shall pay (10%) of their salaries of the insured civilians, and (32.5%) of the salaries of the military personnel. As for the self employed and the like, it shall bear the difference between (25%) of the contribution bracket, and the insured person’s share.
- The State Public Treasury shall pay an annual contribution which is currently amounts to (2.5%) for the Increment Pension Fund.
- The State Public Treasury shall pay (0.5%) of the total of their basic and supplementary salaries of the employees in the private sector or the oil sector in favor of the Unemployment Insurance Fund.
- The state Public treasury shall pay a monthly contribution amounting to (5%) from the salary and the monthly income brackets in favor for the financial remuneration fund.
- At the same time, the Public Treasury shall pay the deficit in the institution’s funds in the light of the results of the examination of its financial position which takes place once at last every three years.

## Characteristics of the Social Security System

The social security system in Kuwait has a number of characteristics, the most prominent of which are:

### First: Comprehensive and Integration

This means that the system covers all productive sectors in society, and that they enjoy the same rights and benefits.

### Second: Benefits & Efficiency

#### **1. Retirement Pension:**

- The social security system in the State of Kuwait is characterized by comprehensiveness, unity and considerable security benefits. Moreover, the retirement pension is considered the most prominent right secured by the Social Security Law in respect of the insured persons, and we may proceed further to state that the retirement pension constitutes the main objective which the social security aims at.
- In case of old-age, the insured person shall be entitled to retirement pension which can reach to a minimum of:
- (65%) of the last salary with contribution period (15 years) which shall be raised to (75%) regarding military staff.
- In the event of death, total invalidity or disability depriving the inability to earn, the beneficiary shall be entitled to a retirement pension which may reach (95%) of the relevant salary without stipulating any contribution period, and shall be raised up to (100%) with regard to military staff.
- As for the maximum pension, it shall reach up to (95%) of the relevant salary, with (30 years) contribution period which shall be raised up to (100%) with (27.5) service years in respect of the military staff.
- As for the married woman, divorced or a widow, if any of them has children, she shall be entitled to a retirement pension after (15 years) of service, if she reaches the age specified in the table (7/a) of the Law 61/1976, as for the woman without children, she may be entitled to a retirement pension after 15 years if the marriage lasted for 2 years before service termination date taking into account the age specified in the table referred to.

#### **2. Sickness Pension:**

It shall be calculated on the basis of (15 years), i.e. (65%) of the relevant salary. But if the sickness has resulted in an inability to earn, then the said percentage may reach (95%).

#### **3. Retirement Allowance:**

It is a financial allowance, payable by installments at the end of service but without being entitled to a retirement pension.

#### **4. Death Gratuity:**

It is payable in the event of the insured or pensioner's death, which equals twice the salary amount.

#### **5. Family Pension:**

In the event of the insured person's or pensioner's death, the retirement pension shall be distributed among the beneficiaries of his family who satisfy certain conditions.

#### **6. Commutation:**

A pensioner's right - or insured person - if he has secured a period qualifying for entitlement of a pension, he may commute a part of retirement pension (One quarter 1/4) in a form of a lump sum amount.

#### **7. Unemployment Compensation:**

A compensation amounting to (60%) of the salary which is calculated on the basis of the basic pension shall be paid for the insured who is applicable with the provisions of the Unemployment Insurance Law, in addition to the presumptive supplementary pension, and shall be added to the total increment that does not fall within the Social Security System (cost of living allowance – financial support – special remunerations) and the period of the disbursement of the compensation is 6 months.

#### **8. Financial Remuneration:**

The insured persons, in all sectors (civil and military), as well as practitioners by permit or authorization from the specialized authorities as employers, craftsmen and freelancers, who are subject to the provisions of law No. (110) of 2014 are entitled to a financial remuneration upon the contribution end for each year of the contribution years in a maximum limit (18) years. The disbursement of the remuneration is from the date of the retirement pension entitlement and in case of death, it shall be disbursed to the legal heirs.

### **Third: Flexibility of the System**

- The social security system sets the rules and regulations that govern the basic rights in the pension or the gratuity. Meanwhile, details in this regard are left to be specified by ministerial resolutions issued with the approval of the Institution's Board of Directors. This protects the law from changes that take place occasionally and help cope flexibly with the rapid growth of the society.
- Some of the cases dealt by ministerial resolutions are the specification of the cases in which pension allowance is issued and the condition of conjoining the periods for which an allowance disbursement was made or other periods, specification of the minimum share in the pension for beneficiaries and the regulations of combining the pension and salary and the conditions and the cases where a part of the pension is converted into a lump-sum.

## The Institution's Administrative Organization

- The Public Institution for Social Security is a public institution which has an independent budget and has a body corporate. It is subjected to the supervision of the Minister of Finance.
- The Institution has a Board of Directors, chaired by the Minister of Finance and the membership of the following:
  - The Institution's Director General.
  - A representative from the Ministry of Social Affairs and Labour, Ministry of Defence, Civil Service Commission, The Ministry of Interior, The Chamber of Commerce and Industry, The Trade Union Federation.
  - And three experienced and specialized members.
- The Institution's Board of Directors is empowered to draw up its general policy including the following:
  - Approval of the draft budget and final annual balance sheet before they are submitted to the competent authorities.
  - Approval of the annual report on the Institution's operations.
  - Proposing laws, regulations and orders concerning social security, and advising on draft related thereto.
  - Issuing the orders necessary for regulating the Institution's financial and administrative affairs and determining staff salaries and rules related to their employment affairs.
- The Institution is managed by a Director General who has more than one Deputy. The Director General represents the Institution in its relations with others and in the courts of law. He is responsible for executing the policy drawn up by the Board of Directors and the specification of the Institution's departments and their respective functions.
- An investment committee is set up by an order passed by the Minister of Finance to invest the institution's funds. It is empowered to define the rules and the investment programmes and to issue the necessary investment orders. This committee presently comprises of the Minister of Finance as its Chairman and membership of the Director General and two Board members.
- Works at the Institution are implemented through five main sectors which are:
  - General administration sector.
  - Insurance sector including insurance service staff.
  - Investment sector.
  - Financial & administrative sector.
  - Information and Technology sector.



# DEFINITIONS





## **Employer:**

Every natural or juridical person employing Kuwaiti workers and taking the business he practices as his trade or profession, as well as government agencies, authorities and institutions with budgets appended to the state or budget or with independent budgets, and other public authorities.

## **Insured:**

- 1- Kuwaitis working for an employer and members of the national assembly. Those connected with a training contract obliging the employer to employ him or obliging the trainee to work for him in the event of passing the training period successfully shall be treated as employees, and insuring them is obligatory.
- 2- The insured Kuwaitis mentioned under Article (53) of the attached law, which are:
  - a- Self-employed workers.
  - b- Those engaged in commerce that the law requires their record in the Commercial Register and the acting partners and partners of full-time management in companies with limited liability.
  - c- Those engaged in activities requiring a license to practice or permission of the competent authority.
  - d- Other categories that a resolution of the minister is issued to benefit from the provisions of this insurance subject to the approval of the Board of Directors.

## **Total Invalidity:**

Any invalidity preventing completely and permanently the insured from undertaking any profession or work to earn living. This is proved through a decision from the medical committee. The cases of total loss of eyesight, loss of two arms, loss of two legs, loss of one arm, loss of one leg or cases of mental illnesses, chronic and incurable disease determined by a resolution from the Minister in agreement with the Minister of Public Health is considered as such.

## **Partial Invalidity:**

Any invalidity which may affect permanently the ability of the insured to work in his original profession or earn in general, arising from a work injury, proved by a decision from the medical committee.

## **Retirement Pension:**

The pension due according to the provisions of Chapter IV of this law

## **Illness:**

Each disease suffered by the insured which prevents him from undertaking his work, proved by a decision from the medical committee.

## **Inability to earn:**

Each person suffering from a permanent invalidity which undermines his ability to work by at least (50%), as proved by the medical committee.

## **Salary:**

1- For the insured working in the government sector:

This is the basic salary plus the social allowance, including the allowance prescribed for children.

2- For the insured working in the private and oil sectors:

This is the wage according to the provisions of law No. (6) of 2010. However, if work is without wage or if the wage is less than KD (230) monthly, this latter limit shall prevail for enforcing the provisions of this law. Following approval of the Board of Directors, the Minister may change this limit. The social allowance and children allowance determined according to the provisions of Law No. (19) of 2000 regarding support and encouragement of national manpower to work in non-government authorities are considered as wage.



REGISTRATION WITH THE PUBLIC  
INSTITUTION FOR SOCIAL SECURITY AND  
EMPLOYER'S OBLIGATIONS





## WHO IS THE EMPLOYER?

Employer is every natural person or judicial person, whether Kuwaiti or non-Kuwaiti, who employs Kuwaiti employees and takes the work he exercises as his craft or profession.

This definition shall include the following entities:

1. State ministries, governmental authorities and departments.
2. Public authorities and institutions.
3. All types of companies.
4. Individual establishments.
5. Clubs and public interest societies.
6. Co-operative societies and private societies.
7. The international and regional organizations having their offices in Kuwait but the attached protocols to their foundation agreements or the Kuwaiti Laws do not provide for their exemption from the local social security systems.

## Who is the Insured?

- The insured in Chapter Three of the Law is every Kuwaiti who works for an employer, the members of the National Assembly, the members of the Municipal Council and mayors. Also, this term shall include a trainee whose contract comprises a certain provision that obliges him or the employer to work for him if he successfully passed the prescribed training.
- The insured persons in Chapter Five are the Kuwaitis who are self-employed and the like.
- The insured person in the Unemployment Insurance is every Kuwaiti working in the private or the oil sectors and not exceeding 60 years of age.

## Employer's Obligations

The Social Security System requires the employer to do the following:-

1. Provides the registration forms of the Kuwaiti employees who are working for him within ten days as from the date of joining the work, duly accompanied with the following documents:-
  - a) Copy of nationality certificate.
  - b) Copy of birth certificate or age assessment certificate.
  - c) Copy of the employment certificate, for governmental authorities.
  - d) Copy of Civil Identity Card.

- e) Copy of the document that proves the validity of the license, or the authorization issued regarding presumed activity, or its completion or any charges that may come up that could affect the registration of the insured persons at the institution.
  - f) Certificate from the Public Authority of Manpower proving the registration of the insured person.
2. Providing the following documents upon the end of service:-
- a) The end of service notice on the specially prepared form for this purpose, which shall be submitted to the Public Institution for Social Security within ten days from the end of service.
  - b) Copy of service termination certificate, for governmental authorities.
3. He shall pay the share of the insured or military staff beneficiary besides the employer share in the contribution at the beginning of the next month following the month against which the contribution is due, as will appear later in the provisions of due and payment of contributions, in addition to the payment of other due amounts and he shall keep a copy of the payment proving documents.
4. The employer at the oil and private sectors shall provide the Public Institution for Social Security with a detailed statement on the insured persons and their salaries in the month of January every year in the prepared form for this purpose. Also, he shall establish with him a separate file for social security (employer file) in which the following documents shall be kept:-
- a) A copy of the form concerning the employer registration application.
  - b) Copy of the above detailed statement.
  - c) Maintaining the statement of account sent regularly by the Public Institution for Social Security.
  - d) Copy of the form relating to the payment of social security contributions and private premiums.
  - e) Copy of the statement of the commutation premiums deducted from the insured.
  - f) Copy of the receipt voucher showing the receipt of the paid premiums to the Public Institution for Social Security.
5. The employer at the public, oil and private sectors shall prepare a special file for Public Institution for Social Security for every insured or military beneficiary, where the following documents shall be kept:-
- a) The appointment decision for the insured person in the public sector and the decree concerning the appointment of the beneficiary officers or the issued decision on the appointment or acceptance of the voluntary service for other beneficiaries.
  - b) A copy of the registration application of an insured or beneficiary who was not previously registered or a copy of a work joining notice of an already registered insured or beneficiary.
  - c) Copy of birth & nationality certificate.
  - d) A statement on the insured or military beneficiary graded salary during the years of service.

- e) A statement on the periods of service of the insured or military beneficiary which are not calculated in the insurance.
- f) Copy of the Public Institution for Social Security notification of the due commutation premiums against the insured or military beneficiary in case of ceasing the payment of retirement pension.
- g) The resolution or decree issued on the termination of the insured or military beneficiary service, for the public sector as well as a copy of the form concerning the insured or beneficiary service termination notice at all sectors.
- h) A statement on the granted periods to the insured or military beneficiary as sick leave, the salary paid against which and the spent leaves with out pay.
- i) Copy of the exchanged correspondence between the employer and the Public Institution for Social Security regarding the insured or military beneficiary.
- j) The executive form of the rendered judgments on the alimony in respect of which the ruled judgment is not executed prior to the end of the service of the insured or military beneficiary.

## Important Guidelines

First: the insured may register his name with the Public Institution for Social Security if the employer refused or slackened to register him within ten days from his joining the service; and the information which he provides in the registration application shall be deemed as true and correct and the relevant contributions shall be based on it unless the employer objects to those data within ten days as from the date of being notified of the registration of the insured.

Second: The employer shall ask the insured, upon joining work with him, to provide the employer with a statement on the other works which he exercises explaining therein the employer, date of joining and the received salary as well as providing the Public Institution for Social Security with a copy of this statement for identifying the original employer who shall comply with registering the insured with the Public Institution for Social Security.

Third: The Public Institution for Social Security hereby requests all employers to provide it with accurate information about the insured persons and military beneficiaries to avoid any effects which may arise out of the incorrect information.





CONTRIBUTIONS DUE  
& PAYMENT OF CONTRIBUTIONS





## Due Contributions

The social security system depends on self-finance in securing the insurance rights where the contributions constitute an essential source among its other financing sources. Contributions are calculated based on the salaries received by the insured as follows:

1. The contribution salary in the basic insurance of the insured person in the governmental sector or the beneficiary in the military sector is the total of the basic salary and social allowance including children allowance in the maximum limit amounting to (KD 1500).
2. The contribution salary in the (basic) insurance of the insured in the private and oil sectors represents the total of the wage which he gets in cash or in kind as a salary according to the provisions of the Private Sector Labour Law in a maximum limit of (KD 1500) and a minimum limit of (KD 230).
3. The contribution salary in the supplementary insurance of the insured person in the governmental sector or the beneficiary in the military sector is a sum of more than (KD 1500) and the basic salary including allowances, bonuses and remunerations which are considered to be among the supplementary salary elements and that so in the maximum limit of (KD 1250).
4. The contribution salary in the (supplementary) insurance of the insured in the private and oil sectors is a sum of more than (KD 1500) of the monthly salary in a maximum limit of (KD 1250).
5. The contribution salary in the Retirement Pensions Increment Fund represents the total of the basic and supplementary salary in a maximum amount of (KD 2750).
6. The contribution salary for the Unemployment Insurance Fund represents the total of the basic and supplementary salary in a maximum amount of (KD 2750).
7. The contribution salary for the financial remuneration fund is a contribution salary in the basic insurance in a maximum limit of (KD 1500).
8. The amount paid to the insured in the private and oil sectors from the National Manpower Support Program (the social and children allowance) shall be treated in the same method including what the state periodically disburses of financial benefits of the monthly salary, and the relevant contributions shall be calculated according to the the prescribed percentages by taking into account the minimum and maximum limits of the salary.
9. The contribution salary for the appointed insured in the government sector shall be calculated with an overall remuneration or a lump sum salary based on the amount of the remuneration or salary in a manner that neither of both shall exceed (KD 2750) monthly.

## Monthly Contributions (Amount and Possible Collection)

1. The monthly contributions due for the Public Institution for Social Security against old age, invalidity, sickness and death insurance for the insured persons who are working for the government, private and oil sectors shall be calculated in this respect as well as for the beneficiaries from the Retirement Pensions and Remunerations for Military Staff Law which is currently applicable, as per the following manner:
  - a) (5%) of the monthly salary (basic and supplementary) shall be borne by the insured or the military beneficiary.
  - b) (10%) of the monthly salary (basic and supplementary) shall be paid by the employer.
  - c) (2.5%) of the monthly salary (basic and supplementary) shall be borne by the insured or the military beneficiary in the Retirement Pensions Increment Fund.
  - d) (1%) of the monthly salary (basic and supplementary) shall be paid by the employer for increment pension fund.
  - e) (0.5%) of the monthly salary (basic and supplementary) for the employees in the private or the oil sectors and shall be paid by the insured person for unemployment insurance fund.
  - f) (0.5%) of the monthly salary (basic and supplementary) for the employees in the private or the oil sectors and shall be paid by the employer for unemployment insurance fund.
  - g) The employer shall pay the above two portions and any other due payments to the Public Institution for Social Security within the prescribed dates in this regard.
  - h) (2.5%) of the basic salary shall be paid by the insured person or the beneficiary of the financial remuneration fund, and these contributions are suspended if the period of the contribution reached 18 years.
  - i) (0.5%) from the basic salary is paid by the Public treasury for the financial remuneration fund.
2. Contributions in the government and military sectors and fully state owned companies shall be computed in full for the part of the month in which the service begins or expires in a proportional rate to the full month salary.
3. Contributions for the private and oil sectors, except the fully state owned companies, shall be calculated based on the insured salary at the beginning of January every year. If the joining of the work takes place after this date, then it shall be calculated based on the salary as at the due date until the beginning of the next first of January.
4. If the salary received by the insured is less than (KD230) monthly, the employer shall pay the two contribution portions for the difference between the actual salary and the minimum salary limit. Also, he shall bear the two contribution portions if the insured obtains a sick leave without pay. In this case, contributions shall be calculated for the full salary.

5. The insured or beneficiary who works for an employer shall bear the total of both portions of the insured and employer in the contributions whenever he requests the computation of the following periods within the insurance contribution periods:-

a) The period of secondment or delegation with an employer which is not subject to the provisions of the social security law so long as the original employer does not bear the insured salaries during this period.

b) The service periods during which the insured does not receive his salary against such periods except those ones relating to the sick leaves without payment.

6. If the insured is seconded, delegated or entrusted with an employer who is subject to the provisions of the social security law and he pays the insured's salary during the secondment, delegation or entrustment period, then the said employer shall pay the employer's share in the contributions as well as deducting the insured share in these contributions from his salary with him. In these cases, contributions shall be calculated on the basis of the salary of secondment, delegation or entrustment.

7. The following periods shall not be calculated within the computed period in the insurance:

a) The work suspension or interruption periods in the government sector for which the insured is decided to be deprived of his salary (Civil / Military).

b) The periods of escaping by the recruited person from performing the obligatory military service or being absent from the same without excuse.

c) The periods spent by the recruited person in prison in enforcement of a final judgment for being convicted.

d) The periods of service to be added to the obligatory service period if the recruited person committed certain types of contraventions.

e) The periods preceding the date of 1/10/1977 in which the insured was deprived of his salary or remuneration by virtue of a disciplinary decision or court judgment.

f) The training periods during which the trainee was deprived of his remuneration due to failure in training.

Therefore, no contributions shall become due against all these periods and they may not be added.

## Contribution Payments

The social security law obliges the employer to pay the contributions due from him and the insured for the Public Institution for Social Security within fixed periods in order to be invested for the insured persons' interest.

Also, the law obliges the employer to pay the Public Institution for Social Security additional amounts if he is late to pay the contributions within the legally prescribed deadline as well as if he failed to register all or any of the employees who are working for him within the prescribed dates or did not pay their contributions based on the actual salaries.

## When Shall the Contributions be Payable?

Contributions shall be payable to the Public Institution for Social Security in the beginning of the next month following the month for which the contributions are due.

- As for the contributions due against the salaries decided to be paid under the law or by virtue of court judgments or administrative decisions or settlements after the maturity date, they shall be payable at the beginning of the next month following the month in which these judgments, decisions or settlements were executed.
- If the payment due date coincides with an official holiday or leave the date shall extend to the first business day following the holiday or leave.

## Contribution Payment Proving Certificate

The Public Institution for Social Security shall provide the employer in the private and oil sectors with a certificate proving his payment of his contributions. Also, it shall provide the self-employed insured persons and the like with a similar certificate. The issued certificate by the Public Institution for Social Security shall be provided to the governmental authorities concerned with the issuance or renewal of the necessary licenses and certificates for exercising their activities which precondition the provision of such certificates for the purpose of license issuance or renewal.

## Effects Resulting from Delaying the Registration and Payment

1. If the employer delayed the payment of the contributions due from him after the beginning of the next month following the month for which they become due or if he delayed the registration of all or part of his employees, then he shall pay additional amounts as follows:-
  - (1%) monthly of the unpaid contributions as from the payment due date until the date of settlement. But an exemption from the additional amount will be made if the payment is effected within ten days from the maturity date.
  - (Fils 500) per every day of delaying the forwarding of the data, notices and forms required by the law.
  - (10%) of the value of the due and payable contributions if the employer failed to register all or any of his employees within ten days from the date of their joining the service or if he pays the contributions based on incorrect salaries, in addition to the extra amount due for delaying the payment of contributions.
2. The insured person who is subject to the provisions of Chapter Five of Social Security Law; if he is late to pay the contributions within the prescribed dates shall pay an extra amount equal to (1%) monthly for the period as from the maturity date of the payment up to the full settlement date. However, the insured shall be exempted from the extra amount if he pays within ten days from the maturity date of payment.

Also, the insured person who is obligatorily subject to the insurance and who did not register himself within the legally prescribed date shall pay the Public Institution for Social Security an extra amount equal to (5%) of the unpaid contributions.
3. Exemption from extra amounts shall be made according to the conditions and cases provided for in the ministerial resolution in this respect.

## Method of Payment

1. The payment of contributions and other due funds for the Public Institution for Social Security shall be made as follows:-

- By virtue of a cheques in the name of the Public Institution for Social Security; or
- Payment in cash to the Public Institution for Social Security treasury; or
- Under a deposit notification for the PIFSS's account at the current accounts in the headquarters of the following banks:

Bank Name	IBAN Code
Central Bank of Kuwait	KW97 CBKU 0000 0000 0000 0004 2037 62
National Bank of Kuwait	KW43 NBOK 0000 0000 0000 1000 3752 31
Commercial Bank of Kuwait	KW37 COMB 0000 0101 6044 2100 4140 16
Gulf Bank	KW93 GULB 0000 0000 0000 0005 7867 01
Kuwait Finance House	KW95 KFHO 0000 0000 0001 1010 0001 36
Bank of Bahrain & Kuwait	KW32 BBKU 0000 0000 0012 0000 0000 69
Burgan Bank	KW59 BRGN 0000 0000 0000 2065 0260 69
Al Ahli Bank of Kuwait	KW56 ABKK 0000 0000 0060 0033 8030 01
Ahli United Bank	KW42 BKME 0000 0000 0000 0011 5098 86
Boubyan Bank	KW10 BBYN 0000 0000 0000 0004 4000 01
Kuwait International Bank	KW59 KWIB 0000 0000 0001 1010 0733 54
National Bank of Abu Dhabi (Kuwait)	KW75 NBAD 0001 0000 0000 6200 0082 17
Doha Bank (Kuwait)	KW97 DOHB 0053 2002 0114 0200 0100 00
Citi Bank	KW80 CITI 0000 0000 0000 0004 1470 22
Al Rajhi Bank	KW22 RJHI 0000 0860 0037 0010 4000 06
Warba Bank	KW33 WRBA 0000 0000 0000 1001 8880 18
International Bank of Qatar (Kuwait)	KW76 QNBA 0000 0000 0240 3000 1300 01

2. The data of the payment forms shall be completed and provided monthly to the Public Institution for Social Security together with the relevant cheque or deposit advice.

The Public Institution for Social Security hereby requests all employers to notify PIFSS of any subsequent amendments in the number of the insured persons who are working for them in addition to a statement showing their salaries, addresses of their places of business in the statement of account sent by the PIFSS.

# CONJOINING OF PERIODS



## Conjoining of Previous Periods of Service

### First: Pervious periods of service and subsequent to 1/10/1977 for civils and 1/3/1981 for military

1. Previous periods of service which the disbursement of a retirement remuneration was not made.
  - Previous periods of service which are intended to be conjoined, if they were civil to the current civil, are considered to be automatically conjoined under the provisions of social security law.
  - Also, they are considered to be automatically conjoined if the intended periods to be conjoined are military to the current military under the provisions of Law No. (69) of 1980.
  - In case of conjoining previous civil periods of service to the current military, it is approved to conjoin in accordance to the provisions of Resolution No. (11) of 1981 and vice-versa.
  
2. Previous periods of service which the disbursement of a retirement remuneration was made.
  - In accordance to the provisions of Resolution No. (1) of 1993, it is approved to conjoin the intended periods which a retirement remuneration has already been disbursed for the insured person or the beneficiary or the contributor in Chapter V insurance, he must refund the retirement remuneration either in one payment or in monthly installments in an amount of (%10) of the salary or the contribution bracket on the date of submission of the application for conjoining in accordance to the rules and regulations set forth in this Resolution.

#### **The Required Documents for Conjoining Application**

- A recent salary certificate which clearly indicates (the basic salary, social allowance and the allowance approved for the children for the governmental sector).
  - The overall salary for the private\* and oil sectors in a maximum limit (KD 1500) for all entities.
- \* A certificate attained from the Manpower and Government Restructuring Program.

## Second: Conjoining Previous Periods of Service prior to Obtainment of Kuwaiti Nationality

The Resolution No. (21) of 1982 on the conjoining of previous services before obtaining the Kuwaiti nationality was issued on 12/9/1982 so that the insured or beneficiaries can benefit from the conjoining of the previous service periods before getting the Kuwaiti nationality to their periods of contribution in Chapter Three insurance or to the periods that are subject to the provisions of Law No. (69) of 1980 in order to be eligible to retirement pension or increasing their periods of service.

### **Entities at Which Previous Service Periods Can be Conjoined**

1. Governmental authorities.
2. The authorities and institutions with annexed budgets to the state budget or with independent budgets and other public authorities.
3. Shareholding companies with public contribution.
4. Banks
5. State owned companies even if expired before being owned by the state.
6. Closed shareholding companies owned by the entities provided for in the previous clauses, whether alone or with other parties.
7. Arab Oil Company Limited whenever the relevant period had started before 20/5/1970.
8. Kuwait Chamber of Commerce and Industry.
9. International Islamic Charitable Organization.

### **Conjoining Conditions**

1. It is conditional that the service period should be an actual period during which the insured receives a salary or it was a period with lump sum salary or interim job or a temporary work.
2. It is a condition that the service period should be after the age of (18 years) or the prescribed age for appointment.
3. The period should be documented in the records and files of employers.
4. A retirement pension should be entitled, assuming non-conjoining, or upon service termination when reaching fifty years of age.

### **Required Documents for Conjoining Application**

1. A certificate on the service period to be conjoined together with a copy of the service termination remuneration payment form.
2. A certificate of the current salary as on the application filing date (the basic salary, social allowance in addition to children allowance).
3. The Amiri Decree under which he was granted the Kuwaiti nationality.

### **Computation Method for Conjoining Amount**

The conjoined amount shall be fixed at the rate of (7.5%) of the subject salary to the basic insurance in the application filing date as per every year of the first five years of the periods required to be conjoined and at the rate of (12%) of the said salary for every extra year of the periods preceding 23/6/1982 and (15%) for the periods following the date of 24/6/1982.

The insured may pay the conjoining equivalent amount in one payment or in monthly installments (5 years / 10 years / 15 years) pursuant to the attached schedule to the resolution within 30 days from the date of being notified of the approval to such conjoining, bearing in mind that the addition applicant will not benefit from the installment of such part of the conjoining amount that is equal to the end of service remuneration for the periods required to be conjoined.

### **Third: Conjoining Nominal Periods of Contribution in Chapter Three**

The Resolution No. (3) of 1978 regarding rules and regulations of conjoining nominal periods of contribution in Chapter Three was issued on 30/1/1978 in the purpose of entitlement to, or increase of the retirement pension.

#### **Conjoining Conditions:**

1. The insured person may purchase a nominal period of (3) months and multiply it in a maximum limit of (5) years during the service.
  - The amount of conjoining shall be specified in accordance with the attached Schedule No. (1) on the basis of No. (2) to the Resolution and the insured person shall pay it in one payment to the Institution within one month from the date of the notification.

2. If the insured person attained the age 50 years, he may conjoin the nominal contribution periods for the actual service period in a maximum limit of (6 months/ 7 years) for the completion of the necessary the entitlement to a retirement pension which is (15 years) within one month from the date of end of service.

The amount of conjoining shall be specified in accordance with the attached Schedule No. (2) on the basis of No. (1) to the Resolution and he may pay the conjoining amount in one payment or in a monthly installments deducted from his retirement pension as follows:

- (5 years)
- (10 years)
- (15 years)

3. The pensioner may conjoin a nominal contribution period to the retirement increase in a maximum limit of (5 years) and it shall not exceed his actual and conjoined service of (30) years within the end of service date.

- The amount of conjoining shall be specified in accordance with the attached Schedule No. (2) on the basis of No. (2) to the Resolution and it shall be paid in one payment within one month from the date of the notification.

#### **Calculation Method for Conjoining Amount:**

The contribution salary (not exceeding the maximum limit) coefficient to the age of the period in months.

- He may pay the rest of the conjoining amount in case of installments (for the remaining amount) for calculating the current value and it does not represent the balance but an actuarial calculation.

#### **Forth: Conjoining Nominal Periods of Contribution in Chapter Five**

Resolution No. (10) of 1986 was issued regarding the rules and regulations of conjoining nominal periods in Chapter Five in Social Security Law on 12/10/1986.

#### **Conjoining Conditions:**

- The contributors in Chapter V may conjoin the nominal contribution periods for the entitlement of the retirement pension in accordance with the following conditions:
  1. The insured person shall not be practicing any business which is subject to Chapter V insurance on the submission date of application.
  2. The insured person shall have an actual contribution period in Chapter V minimum 5 years.

3. The insured person shall have reached the age of sixty upon the end of their contribution.
  4. To submit the application within 3 months from the end of the contribution.
- The amount of conjoining shall be specified as follows:
    - The last contribution bracket is (KD 600) and less, the consideration shall be calculated on the basis of the due contributions for the conjoined period.
    - The last contribution bracket exceeds (KD 600) and shall be calculated on the basis of Schedule No. (1)\*.
    - The conjoining amount shall be payable in one payment or in a monthly installments for a period of (5) years or (10) years or (15) years in accordance with Schedule No. (2)\*.
  - The insured person may pay the rest of the conjoining amount (the remaining amount) upon the commencement of the installments (the current value) in actuarial calculation.
  - The calculation of the conjoining amount if the bracket was (KD 600) or less  
= contribution bracket percentage against the contribution bracket of the conjoined period in months.

\* in accordance to the attached Schedule to the Resolution.

## **Fifth: Conjoining the previous periods to the contribution period in Chapter V**

Resolution No. (5) of 1985 was issued regarding conjoining the previous periods to the contribution period in Chapter V on 9/5/1985.

The insured person who is subject to the provisions of Chapter V may request to conjoin the previous periods of service or business on the date of the commencement of the contribution in Chapter V.

### **Conjoining Conditions**

#### **The required periods for conjoining should be as follows:**

1. Periods of service which ended in governmental, private or oil sectors before 1/10/1977.
2. Periods of military service which ended before 1/3/1981.
3. Periods of service in Chapter III which ended after 1/10/1977 in governmental, private and oil sectors.
4. Periods of military service which ended after 1/3/1981.
5. Periods of service prior to obtainment of Kuwaiti nationality.
6. Periods spent in membership of Municipal Council or the position of mayor before 1/3/1986.

## **The Obligated Conditions to Conjoin Periods of Previous Service:**

The conjoining shall be in accordance with the conditions of the prescribed resolutions for every period with regard to the conditions for conjoining.

The conditions to be fulfilled in case the end of the business in Chapter V:

1. The contribution period in Chapter V should be not less than the periods indicated in the attached Schedule No. (3) to the resolution against the commencement contribution bracket (excluding death cases and total invalidity, it is not required to spend the specified contribution periods in Chapter V).
2. The conjoining should complete the obligated period for the entitlement of the retirement pension.
  - The insured person may pay additional amount for conjoining previous periods in addition to the due amounts of conjoining as follows:

### **1. Attaining the age of 40 years and more:**

On the date of the contribution commencement taking into consideration the approximation to a year if the fraction of the year was 6 months or more the age is 40 years or more.

### **2. The Marginal Bracket:**

It is the bracket that is estimated according to one of the four methods that are calculated, and in case the marginal bracket was less than the commencement contribution bracket an additional amount is due.

### **3. Additional Amount Calculation:**

Additional Amount = (Contribution commencement bracket – marginal bracket) 12 additional amount coefficient of total periods that are required to be conjoined.

The insured may not pay the additional amount in case of reduction of contribution commencement bracket or reduction of the conjoined periods.

## **Sixth: Conjoining the Calculated Periods in Chapter V to the Contribution Period in Chapter III**

The Resolution No. (3) of 1994 was issued in regards to the conditions and regulations of conjoining the calculated periods in Chapter V to the contribution period in Chapter III on 25/9/1994.

The insured person or beneficiary may request to conjoin the calculated previous period in accordance with the provisions of Chapter V to his contribution period in the insurance in Chapter III.

**Conditions for accepting the conjoining request:**

- Submitting the conjoining request.
- Notify the insured person the need to pay the previous contributions in Chapter V and in case of non-payment, he shall be notified for the necessity of payment.
- Refund what have been disbursed from retirement remuneration from the period required to be conjoined if any.
- A recent salary certificate clearly states (the basic salary and social allowance and the approved allowance for the children) that does not exceed the maximum limit thus in case the disbursement of the retirement remuneration.
- The insured person or beneficiary shall be notified on the approval of the conjoining application and the conjoining shall be executed upon the fulfillment of its conditions and the insured person or beneficiary may bear an additional amount upon the end of service for the retirement pension entitlement.
- The additional amount will be calculated at the department.

**Conditions for the Completion of Conjoining:**

- Conjoining shall not be fulfilled unless in the three cases included in Article No. (3) of the Resolution.

The additional amount shall be calculated in some cases and it shall be calculated by the department in the case of end of service for the retirement pension entitlement and it shall be deducted from said pension.

In case of commutation during service, the additional amount shall be deducted from his salary and it shall be deducted in monthly installments in an amount of (%10) and he may pay it in one payment.

**Seventh: Conjoining of Periods Spent without Salary**

Resolution No. (4) of 1994 was issued in 25/9/1994 concerning the conditions and rules of service computations for the period against which the insured does not receive salary within the subscription period in Chapter Three was issued.

**Entities at which Leave without pay are spent**

For the computation of the periods to be calculated within the insurance contribution period, it is conditional that it should have penetrated a service period spent with one of the following entities:-

- Government authorities.
- State owned companies.
- Shareholding companies of public offering.
- Entities whose employees are subject to such employment systems concluded under collective agreements.

Other than the above entities, it is a condition that the insured should have spent in the relevant entity an actual service period not less than the period required to be computed.

### **Required Documents for Conjoining Application**

1. Copy of leave granting decision and work re-joining as well as a copy of leave disconnection decision (in case of disconnection).
2. Salary scale during the leave period to be computed (basic salary – social allowance).

### **Conjoining Amount Computation Method**

The insured person shall comply with the contributions stipulated in clauses (a, b) of (First) of Article (11) of Social Security Law which represent the share of the insured person and employer.

Also, he may pay the conjoining amount in one payment or in monthly installment not exceeding an amount equal to the number of the full months of the period required to be computed.

Moreover, the insured may be exempted from the payment of the due additional amounts for that period if the application is filed within three months as from the date of work commencement by the insured.

## **Eighth: Conjoining the Periods of Actual Service Prior to 1/1/1995 in the Supplementary Insurance**

Resolution No. (3) of 1997 was issued at 14/1/1997 in regards to the rules and conditions which upon the request of the insured person or beneficiary may conjoin the period of actual service prior to 1/1/1995 in the supplementary insurance.

1. The application for conjoining shall be submitted on the relevant form prepared by the Institution for this purpose, within a period not exceeding five years from the date of enforcement of this resolution 1/12/1997 which ends on 30/11/2002 and was extended to one year from 1/7/2005 to 30/6/2006 or from the date of subjection to the supplementary insurance whichever is later and it shall not be taken into consideration the periods wherein the insured person is not subject to the supplementary insurance.
2. The application shall be accompanied with an official document from the employer for the periods required for conjoining indicating the beginning and end of the allowance subjected to the supplementary insurance.
3. Regarding the periods required for conjoining in the private and oil sectors where the installed salaries in the Institution shall be considered, it is required that the contribution salary throughout the period for conjoining has reached the maximum limit prescribed by the social security law.

4. A recent salary certificate shall be accompanied with the application which clearly indicates the basic salary, social allowances and allowances which are subject to the supplementary insurance on the date of submitting the application for conjoining.
5. Conjoining previous period of service is subject to a monthly installment determined at (5%) of the salary subject to the supplementary insurance at the date of submitting the application for conjoining for a period equal to the period to be conjoined.
6. The payment for the monthly installments for the conjoining in the supplementary insurance at the date of payment of monthly contributions, upon notification by the Institution, effective from the first day of the month following the lapse of one month from the notification date.
7. If the insured person's contribution to the Supplementary Insurance Scheme expires by entitlement to a pension prior to completing the conjoining of full previous period required for conjoining, he may request calculating the period that has not been conjoined, provided that he shall pay a lump sum amount no later than three months from the date of expiry of his contribution, calculated at (15%) of the salary on which basis the monthly installment for conjoining amount was calculated, for each month of the above-mentioned period.
8. The provisions of this resolution shall apply on the pensioners and beneficiaries in the events of end of service that occurred with effect from 1/1/1995.

\*The following shall be exempted from the payment of conjoining installments of the supplementary insurance:

- a) The insured or pensioner's death.
- b) End of service due to total disability.

## **Ninth: Conjoining Previous Periods of Service Spent Abroad and the Like**

Resolution No. (3) of 1998 was issued regarding the rules and conditions on conjoining previous periods of service spent abroad and the like that the insured person or the beneficiary may conjoin previous periods of service spent abroad or inside (namely inside the State of Kuwait such as the foreign or unregistered companies in PIFSS) for an employer not subject to the provisions of the referenced Law No. (61) of 1976 and in accordance with the rules and conditions set forth in this resolution.

### **Conditions for accepting the conjoining request:**

- Payment of all amounts that fell due on the insured in case he contributed in Chapter V.
- Submit his application on a date that does not exceed two years effective from the date of enforcement of this resolution till 4/5/2000 or effective from the date of expiry of the period required to conjoin, whichever is later.

- The period requested for conjoining should be later to attaining the age of eighteen.
- The request should be accompanied with the certificates proving the periods requested for conjoining after the authentication thereof by the competent authorities.
- The periods requested for conjoining should have been spent in one of the following entities:
  1. Government entities, public organizations and institutions.
  2. Public offering shareholding companies.
  3. Closed shareholding companies owned by the entities set forth in the two preceding clauses.
  4. Universities, higher education institutions, banks or insurance companies.
  5. International or regional organizations.

**Required Documents:**

- An authorized certificate from the official entities.
- A recent salary certificate.
- Apply for the request by the concerned party via his current employer.

**Computation Method for Conjoining Amount for Employees Working Abroad:**

- Conjoining Amount = the salary on the date of submitting the application 15% for the required periods for conjoining in months.
- The installments shall be 10% of the salary or last contribution bracket on the date on submitting the application.
- The insured person shall be notified on the conjoining amount upon the indication of interest to pay it in one payment or in monthly installments within (90 days).

# VOLUNTARY CONTRIBUTION SYSTEM IN SOCIAL SECURITY FOR KUWAITIS WORKING ABROAD & THE LIKE





## **Voluntary Contribution System in Social Security for Kuwaitis Working Abroad and the Like**

- The prevailing social security schemes in the different countries of the world are currently moving towards making the social security scheme to cover all citizens including those who are working outside the territory of the relevant country.
- The Social Security System in the State of Kuwait, after covering all citizens, whether working in the civil or military field, the self-employed and the like, moved towards covering the Kuwaitis who are working outside the State of Kuwait for foreign entities as well as those who are working inside the country for international organizations or institutions whose articles of association provides for the non-applicability of the local Social Security Law to its employees.
- In this respect, the Law Decree No. (11) of 1988 which is operative as from 1/10/1988 was issued on the implementation of the provisions of Chapter Three of the Social Security Law voluntarily to the Kuwaiti's who are working abroad and the like, where this law provides them with the advantages of the social security in equal terms with the other citizens.

## **Beneficiaries from this Law**

1. Employees in the government sector, the private sector or the other different business sectors outside the State of Kuwait.
2. Employees of the international or regional institutions and any of their branches inside the state of Kuwait or abroad.
3. Those who are working for any other entity which was not dealt with in the Social Security Law, whether inside the State of Kuwait or abroad.

## **Benefit Conditions**

- The insured person should have attained the age of eighteen years old at the beginning of the contribution and he shall not exceed, as on this date, the age of sixty five years.
- The insured who is subject to the provisions of Chapter Three and Chapter Five of the Social Security Law and the civil and military retirement pensioners shall not generally benefit from the provisions of this law. However, any of the above mentioned persons may benefit from the insurance pursuant to the terms, conditions and rules provided for in a ministerial resolution to be issued in this regard.
- The civil or military pensioners may benefit of the insurance according to the terms and conditions outlined in the ministerial decision issued in this regard.

## Registration Procedures

- The insured person who desires to contribute in the system shall complete the contribution application in the form prepared by the Public Institution for Social Security for this purpose (can be ordered by mail).
- The insured person will be registered in the date which he determines for the beginning of his contribution if his application is received by the Public Institution for Social Security within 30 days from the said date. If the application is received after 30 days or received without stating a fixed date or if a subsequent date is mentioned therein but the receiving of the application is late for more than 30 days, then the registration will be made from the first of the month in which the application is received.

Naturally, the contribution commencement date shall not be fixed prior to the application completion date.

## Required Documents

- The contribution application shall be accompanied with a copy of the Kuwaiti nationality certificate, birth documents and civil identity card. If these documents are not available with the insured, they can be replaced by a copy of the passport, as a temporary action until they shall be presented.
- A certificate issued by the employer proving the work relationship existing between him and the insured and the amount of the monthly salary received by the insured, provided that this certificate shall be attested by the competent authorities in the country where he is working and the embassy or consulate of Kuwait there. If the State of Kuwait has no diplomatic or consular representation in this country, then the authentication of the competent authorities in that country will be adequate.

As for the employer inside the State of Kuwait, the certificate shall be attested by the Kuwait Ministry of Foreign Affairs.

Moreover, this certificate shall also be presented during the month of January every year and upon requesting the suspension of the insurance benefit as well as at the service termination.

## Contributions (Provisions, Dates and Method of Payment)

- The insured shall pay contributions at the rate of (15%) monthly in a way that the monthly salary shall not exceed (KD 2750) and not be less than (KD 230).
- Also the insured shall pay contributions at the rate of (3.5%) monthly of the value of the above salary in favour of the Retirement Pension Increment Fund.
- In addition to the previous contributions, the insured person shall pay an amount of (2.5%) monthly from the salary value in a maximum limit of (KD 1500) as of 1/1/2015 to the credit of the financial remuneration fund, and the maximum limit for paying the contribution shall be (18 years) in which the paying shall be suspended after that.
- Upon registration, the Public Institution for Social Security shall notify the insured of the amount of the subject salary to the insurance and the amount of the monthly contribution which he shall pay from this salary, if he receives his salary in a foreign currency.

Also, he shall be re-notified upon any change in the declared exchange rate by the Central Bank of Kuwait in the first day of January every year or upon the change of the salary on the basis of which the contributions are calculated.

- Contributions shall be computed based on the contribution beginning salary, and then based on the salary of January every year, and it shall not be affected by any change of salary during the year.
- Contributions shall become due in full for every month even if the insured did not receive his salary for that month, whether totally or partially, because contributions are payable in full for the month in which the contribution begins and it shall not be due for the part of the month in which it shall expire.
- The date of paying the due contributions for every month shall be during the period from the first day of the next month following the month for which it is due until the end of the month. For instance, January contributions are due during February... and so on.

However, the insured may pay his contributions in advance for any period he spend in the work which is subject to the insurance.

- Contribution payments shall be made either by depositing to the PIFSS's accounts at the banks specified by it, or by a check drawn to the PIFSS by these banks, or in cash to PIFSS's cashier. Provided that the insured shall notify the Institution of the details of the paid amounts in the forms prepared for this purpose (which can be ordered by mail).

## The suspension of the benefit from the law

- Since the contribution in this law is voluntary, the insured may suspend this contribution at any time even if the work relation still exists. Contribution shall be suspended in the date he determines provided that it shall be following the last due contribution paid to the Public Institution for Social Security.
- Benefiting from the insurance shall be suspended if the insured cease to pay (12) successive contributions.
- If the insured service ended during the suspension period of paying the contributions and prior to the completion of the same, then the suspension period shall be included in the calculation of the period counted in the insurance, if this leads to the eligibility of the retirement pension. In this case, contributions for the suspension period shall become due.

## Rights Secured by Law for the Insured

- In this system, the law secures for the insured the same rights which it provides for those who are subject to Chapter Three of Social Security Law, where he or his eligible beneficiaries will receive a retirement pension pursuant to the same rules and conditions prescribed for the employees who are subject to the above-mentioned Chapter. Also, he shall be eligible to receive retirement remuneration if such conditions are not satisfied.

(THE EXTENTION OF INSURANCE  
PROTECTION SYSTEM)  
INSURANCE FOR KUWAITIS WORKING IN  
ONE OF THE GCC





## INSURANCE PROTECTION EXTENSION SYSTEM

### Insurance Of Kuwaitis Working In One Of The Gulf Cooperation Council States

In the implementation of the provisions of the unified system for the extension of the insurance protection to citizens of the Gulf Cooperation Council for Arab Countries who are working outside their home countries in any member state of the Gulf Cooperation Council (GCC); and the Law No. (44) of 2007 concerning "the extension of security protection to the citizens of the states of Gulf Cooperation Council for Arab Countries who are working outside their own countries in any member state of the Council", the Kuwaiti employee who is working in a GCC state shall obligatorily be subject to the provisions of the Law Decree No. (11) of 1988 concerning the contribution to social security by workers abroad and the like. Also, he shall be subject to the provisions stipulated in the Social Security Law No. (61) of 1976; and the Law Decree No. (128) of 1992 concerning the supplementary insurance system; and the Law No. (25) of 2001 amending certain provisions of the Social Security Law and Pensions Increments in all that is not particularly provided for regarding Law No. (44) of 2007 and in a manner which is not contradictory to its provisions as from 1/1/2006, with exception of the Kuwaiti employee working in Qatar, shall be implemented to these provisions as from 1/1/2007.

### Beneficiaries of the Law

The provisions of this insurance shall be applicable obligatorily to the Kuwaiti citizen who is working in a GCC country with an employer who is subject to the civil retirement /social security system in the country where the work is performed\*, provided that such work should be with one of the units of the administrative body in the country where the work takes place or the public authorities and departments therein which are subject to the civil service laws or systems or he should be subject to the labour laws or systems in those countries.

### Conditions of being subject to the provisions of this insurance:

- a. The insured person should be a Kuwaiti national.
- b. The employer should be subject to the civil retirement system/social security system in the country where the work takes place.
- c. The work should be with one of the units of the administrative body in the country where the work is performed or the public authorities and departments therein who are subject to the civil service laws or systems or he should be subject to the labour laws or systems in those countries.
- d. Upon commencing the contribution to this system, the age of the insured person shall not be less than 18 years or more than 65 years.
- e. The civil or military pensioners may benefit of the insurance according to the terms and conditions outlined in the ministerial decision issued in this regard.

\* Work Place State: The GCC country where an employee is working / Employee subject to this system.

## • Registration Procedures

If any Kuwaiti employee joins the work with an employer in one of the other GCC countries then he shall be obligated to pay his contributions pursuant to the provisions of this insurance and the employer shall take the initiative to register him according to the applicable rules and procedures in the country where the work place exists, according to the documents prepared by the institution for this purpose.

## • Required Documents for Registration

The employer shall present a notification stating the employee's joining work with the following documents:-

1. Copies of nationality certificate, birth or age assessment certificate and civil identity card.
2. Copy of the appointment decision or employment contract.
3. Detailed statement of the salary for employees in the government and private sectors, if the salary's elements are detailed.

## Contributions: Their Provisions, Dates, Payment Method

The social security system in the State of Kuwait depends on self-finance in providing security rights where the contributions constitute a main source among the sources of its finance. Contributions are computed on the basis of the salary which is subject to the contribution «i.e. the complete basic salary received by the insured person in addition to all other allowances, bonuses, grants, or periodic donations pursuant to the provisions of the Law No. (6) of 2010, provided that the subjugated salary to the contribution shall not exceed (KD 2750) and not less than (KD 230)».

- The monthly contributions shall be calculated on the basis of the insured person's salary which is subject to contribution as follows:

First: Regarding the monthly contributions required for the period from 1/1/2006 to 31/7/2007, shall be computed at the rate of (17%) of which the employer shall bear his share of them at the rate of (11%) while the insured person shall bear his share at the rate of (6%).

Second: As regards to the required monthly contributions, from 1/8/2007, they shall be computed at the rate of (18%) of which the employer shall bear his share of them at the rate of (11%) while the insured person shall bear his share at the rate of (7%).

Third: As regards to the required monthly contributions, from 1/8/2010, they shall be computed at the rate of (18.5%) of which the employer shall bear his share at the rate of (11%) while the insured person shall bear his share at the rate of (7.5%).

**It should be observed that if the share paid by the employer in the country where the work is performed is less than the required rate of (11%), the Kuwaiti insured shall pay the difference along with his share in contributions.**

- Contribution shall be calculated for the full month in which be the contribution in the insurance has commenced and it shall not become due for a part of the month in which it is terminated, along with observing that if the service of the insured person is terminated in the last day of the month then the contributions shall become due for the full month.
- The employer shall provide the civil retirement/social security -authorities in the country of the place of work with the pay-roll of the employees working with him for the month of January every year and any changes which may be made in the salary during the year will not be considered; and the contributions calculation against the salary as in January or in the joining date, if it occurs after this month, shall continue until January of the following year.
- In case of any differences due to the variation in identifying the salary which is subject to the contribution between the employee/ worker home country and the country where the work is located and any other differences, the insured shall bear the full rate against the difference of the salary which is not subject to the contribution and other differences.
- The monthly contributions shall be payable by employers in the GCC countries for the insured Kuwaitis who are working for them according to the contribution payment dates prescribed in the civil retirement/social security law or system in the country where the work takes place\*.
- The employer shall be obligated to deduct the monthly required contributions and any other amounts due on the insured's monthly salary, and deposit them in the bank account of the Public Institution for Social Security (State of Kuwait ) in the country where the work takes place, with addition to his share in contributions.
- In addition to the previous contributions, the insured person shall pay an amount of (2.5%) monthly from the salary value in a maximum limit of (KD 1500) as from 1/1/2015 to the credit of the financial remuneration fund, and the maximum limit to pay the contributions shall be (18 years) in which the payment is suspended.
- \* Employee is home country: means one of the GCC states which the employee or worker holds its nationality. (State of Kuwait)

## • Applied Penalties

If the employer delays the payment of the due contributions within the legally fixed dates or if he fails to register all or part of the Kuwaiti employees/workers or if he does not give notice about the termination of service of any of them or if he pays the contributions on the basis of incorrect salaries, then he shall be subject to the applicable penalties in the civil retirement/social security law or system in the country where the work is performed and the payment of such amounts arising from the application of these penalties shall be payable to the bank account of the Public Institution for Social Security (State of Kuwait) in the country where work takes place.

## • Reasons for Contribution suspension or Termination

- Contribution to the security protection extension law shall be suspended if the insured person loses one of the two subjugation condition (b,c) thereto.
- Also, the contribution shall be suspended if the insured is granted a leave without pay, for whatever period, and the employer shall give notice to the civil retirement / social security authorities in the country where the work is performed in this respect, who shall in turn give notice to the Public Institution for Social Security in the State of Kuwait.
- Contribution to the insurance protection extension law shall terminate by the termination of the work relationship for any reason whatsoever, for instance: (resignation, dismissal, death... etc.) and the employer must give notice to the civil retirement/social security authorities in the country where the work is performed in this regard in the form specially prepared for this purpose in the prescribed dates in the laws of the mentioned country. The contribution shall also terminate if the insured loses his Kuwaiti Nationality or nationality being withdrawn or dropped.

## Procedures Concerning Disability, Sickness, Death & Loss Cases

In the event of disability, sickness, death or Loss of the insured employee / worker, the employer shall give notice to the civil retirement / social security authorities in the country where the work is performed in this respect, who shall be responsible to prepare the necessary medical reports and certificates for proving the disability, sickness or death cases, and then send the same to The Public Institution for Social Security in the State of Kuwait, so as to be presented before concerned medical committees according to the applicable rules & procedures in law of Kuwait Social Security, in preparation for the settlement of the dues of the insured or his beneficiaries, as the case may be, pursuant of mentioned law.

## The Guaranteed Rights under the Law for Insured Person

In this system, the law guarantees to the insured person the same rights it ensures to those who are subject to the provisions of Chapter Three of the Social Security Law, under which he or his beneficiaries shall be eligible to receive the retirement pension pursuant to the same rules and conditions prescribed for those employees who are subject to the said Chapter. Also, he shall be eligible to the retirement remuneration if he does not meet these conditions.

# THE EXTENSION OF THE PROTECTION SYSTEM FOR MILITARY PERSONNEL





## The Extension of The Protection System For Military Personnel

Going by the regulations of the extension of the insurance protection for the GCC citizens in the military working abroad in a GCC country, a Kuwaiti citizen in the military working in a GCC country is obligated to follow the regulations of law No. (64) of 1980, law No. (128) of 1992, law No. (25) of 2001, law No. (110) of 2014 amended in law No. (62) of 2015 and the executive resolutions with no specific provisions cited in laws No. (6) of 2016 that are not in contradiction to its terms.

### Beneficiaries from this law:

Kuwaiti military personnel working in any military entity in any of the GCC countries are subject to the regulations of retirement pensions and remunerations.

### Eligibility Conditions:

- 1- The applicant should be working for a military entity that the military retirement system or laws apply to in the workplace state.
- 2- The Kuwaiti military personnel should be subject to the retirement pensions and remunerations based on the laws regarding them, in he is working in the state of Kuwait.

### Registration Procedures:

In case of the enrollment of a Kuwaiti military personnel in a military entity in any GCC country, then he is obligated to register in accordance to the regulations stated in the rules and regulations in the institution issued in law No. (11) of 1977 with regard to the prearranged forms for the execution of law regulations.

### Required Documents:

The registration forms are to be presented to the military retirement entity in the workplace state on the assigned dates in the state. The following documents should be attached:

- 1- Copy of the nationality certificate, or birth certificate , or age estimation, or civil ID.
- 2- Copy of the appointment decision or the work contract.
- 3- Detailed Salary Statement.

## **Contributions: Regulations - Dates - Payment Method:**

In determining the salary which should be calculated on the basis of contributions, the provisions set forth in the social security law, the law decree No. (128) of 1992, law No. (25) of 2001, and law No. (110) of 2014 shall apply, with the following to be considered when calculating the monthly contributions:

- The military personnel shall pay the difference between the prescribed contributions and his total share in the contributions of which the military entity deducts and the total share of the military entity in the contributions in accordance to the mentioned retirement pensions and remunerations of military staff law, in accordance to the applied system in the work state which does not exceed the share's value that the military entity pays for their Kuwaiti employees.
- The military entity shall provide the monthly statement containing the names of its military personnel, and their due contribution values to the military retirement authority in the work state, along with a copy of the deposit receipt from the chosen bank.

## **Penalties:**

In the case of delay of the payments on the prescribed dates, the military entity shall bear the responsibility of paying additional amounts prescribed in the mentioned system.

In case of failing to register all or some military personnel, or failing to notify PIFSS of their end of service on the prescribed dates, or paying the contributions on the bases of false salaries, the military entity shall bear additional amounts of the proposed law in the work state. the calculations of the contributions, its differences, its additional amount, the installments, and other obligations are considered a right reserved to the institution which shall be deposited in the bank account in the currency of the workstate.

## **Reasons For Suspension or Termination of The Contributions:**

The contributions of military personnel shall be suspended if the insured person loses on or two subjugation conditions in this insurance.

However, it does not prevent military personnel from continuing to voluntarily pay the contribution according to law No. (11) of 1988.

### **Procedures concerning Disability, Illness, Loss cases:**

If the reason for the end of service was disability or illness or death or loss, the necessary medical reports and certificates shall be attached to the end of service notice to prove the mentioned cases above, and the PIFSS should present the case before a medical committee in accordance to the applicable terms and procedures to disperse the dues prescribed in the retirement pensions and remunerations for military staff law.

### **The Rights Insured by The Law For Military Personnel**

The law, in this system, insures the military personnel the same rights that are insured for the subjects to the provisions of the retirement pensions and remunerations for military staff law. The military personnel of their beneficiaries are eligible to the retirement pensions in accordance to the similarly prescribed terms and conditions for the military personnel subject to the mentioned law. Moreover, they are eligible to retirement remunerations if the conditions are not met.





# INSURANCE OF EMPLOYERS, SELF-EMPLOYED AND THE LIKE

EMPLOYERS,  
SELF-EMPLOYED



## Insurance of Employers, Self-employed and the like

The insurance provisions stipulated in Chapter Five of the Social Security Law shall be applicable to the following categories of employers, self-employed and the like:-

1. Those who are working in free professions (Self-employed) like lawyers, engineers, accountants, physicians... etc.
2. Traders who are required to be registered in the Commercial Registry under the law.
3. Joint partners in general partnerships or joint stock companies.
4. Dedicated partners for management in companies with limited liability.
5. Owners of taxis, means of transportation, fishing boats and shipping vessels.
6. Owners of medical institutions, medical analysis laboratories, pharmacies, medicine stores and medical glass manufacturing facilities.
7. Owners of newspapers and magazines companies, libraries, bookshops, and printing presses.
8. Owners of customer service shops like restaurants, café's and groceries.
9. Owners of factories and workshops.
10. Brokers and customs agents.
11. Other categories whose activities require a license from the competent authorities.

## Registration Conditions

The insurance contribution for the above-mentioned categories shall be obligatory provided that the contributor's age shall not be less than 18 years and not more than 55 years as on 1/3/1986 or in the activity practicing commencement date, if it comes later on.

As for contributors whose age is more than 55 years as at the above date, then his contribution and the continuation in the insurance shall be voluntarily.

This insurance shall not be applicable to the following categories:

1. Those who are working for third parties.
2. Retirement pensioners, but any of them may request to contribute voluntarily in this insurance provided that he shall ask the suspension of paying his pension according to the rules and conditions determined by the Ministerial Resolution No. (5) of 1994.
3. Those who are of more than (65) years of age upon the beginning of the contribution.

## REGISTRATION PROCEDURES

If you are one of the above-mentioned categories, you shall submit an application for contribution in this insurance in the specially prepared form for this purpose within ten (10) days from the beginning of the activity, bearing in mind that the insurance shall be obligatory as of 1/3/1986; and those who did not contribute previously shall submit their contribution applications so as not to be subject to the payment of additional amounts.

The contribution application shall be accompanied with the following documents:

1. Copy of nationality certificate.
2. Copy of birth certificate or age assessment certificate.
3. Copy of civil identity card.
4. A copy of the company's articles of incorporation and its amendments; and accompanied with an initial certificate with the approval from the commercial registration department for the amendments made on the company in accordance to article No. (117) from law No. (97) of 2013.
5. A copy from the commercial register.
6. A copy of occupational license or professional license issued from the authorized entity.
7. Providing a copy of the company's articles of incorporation with any amendments there to; and undertaking to present copies of all amendments which may occur subsequently in addition to providing the Public Institution for Social Security with a copy of the commercial license upon every renewal.
8. To accompany the special form of the authorized signatories for the employer on releases, correspondences, special forms for applying social security law and the decisions issued for that matter with the registration application.
9. To receive from the Institution your special registration number that will be referred to when dealing with the Institution.

## MONTHLY INCOME BRACKETS

The insured may select any of the mentioned brackets in the following table which is suitable for his income and he shall monthly pay the relevant contribution amount shown against each bracket:

Bracket in KD	Chapter Five Contribution Rate	Increment Fund Contribution Rate	Contribution Rate for the Financial Remuneration Fund	Total Monthly Payable Contributions in KD	Period to be elapsed to amend the Bracket (by month)
200	5%	3.5%	2.5%	22/000	36
250	6%	3.5%	2.5%	30/000	33
300	7%	3.5%	2.5%	39/000	30
350	8%	3.5%	2.5%	49/000	27
400	9%	3.5%	2.5%	60/000	24
450	10%	3.5%	2.5%	72/000	24
500	11%	3.5%	2.5%	85/000	21
550	12%	3.5%	2.5%	99/000	21
600	13%	3.5%	2.5%	114/000	18
650	14%	3.5%	2.5%	130/000	18
700	15%	3.5%	2.5%	147/000	15
750	15%	3.5%	2.5%	157/500	15
800	15%	3.5%	2.5%	168/000	15
850	15%	3.5%	2.5%	178/500	12
900	15%	3.5%	2.5%	189/000	12
950	15%	3.5%	2.5%	199/500	12
1000	15%	3.5%	2.5%	210/000	12
1050	15%	3.5%	2.5%	220/500	9
1100	15%	3.5%	2.5%	231/000	9
1150	15%	3.5%	2.5%	241/500	9
1200	15%	3.5%	2.5%	252/000	9
1250	15%	3.5%	2.5%	262/500	9
1300	15%	3.5%	2.5%	273/000	9
1350	15%	3.5%	2.5%	283/500	9
1400	15%	3.5%	2.5%	294/000	9
1450	15%	3.5%	2.5%	304/500	9
1500	15%	3.5%	2.5%	315/000	9

Law No. 11/2014 was issued to determine a financial remuneration and is effective as from 1/1/2015 and the maximum limit for paying the contribution shall be (18) years and that the contribution payment shall be suspended after that period.

Note:

1. The minimum rate for contribution commencement bracket for lawyers is (KD 400) monthly.
2. The contributions in the Retirement Pensions Increment Funds are calculated before 1/8/2010 as follows:
  - (2%) from the monthly contribution bracket of the period from 1/8/2004 to 31/7/2007.
  - (3%) from the monthly contribution bracket of the period from 1/8/2007 to 31/7/2010.
  - (3.5%) from the monthly contribution bracket as of 1/8/2010.

## AMENDMENT OF BRACKETS

### a) Amending Contribution Commencement Bracket;

You shall have the right to amend the bracket in which your contribution in the insurance has started and you may select any other income bracket (mentioned in the attached schedule), provided that you should file your application within a period not exceeding five years as from the beginning date of the contribution.

### b) Amending the bracket on the basis of which the contribution is payable:

You may amend the monthly income bracket to the immediately higher bracket, provided that the corresponding period of the bracket against which the contributions are paid (in the attached schedule) shall expire in addition to the settlement of all other contributions and amounts due from you up to the amendment application date.

- Contributions shall become due in full against the month in which the contribution begins. Nothing shall be due against the part of the month in which the contribution expires, except if the contribution expires in the last day of the month.
- Contributions shall be payable at the beginning of the next month following the month against which it is due. For example, January contributions shall be due in the beginning of February.
- The benefit from the insurance contribution shall cease if the insured is subject to Chapter Three of the Social Security Law. Also, the benefit from the insurance shall cease upon terminating the validity of the license and the non-renewed periods shall be removed from the contribution periods mentioned in Chapter Five.

## INSURANCE PRIVILEGES

1. The contribution in this insurance provides you with a retirement pension in the following cases:
  - a) If you attained the age of 60 years and completed a contribution period of 15 years.
  - b) If you attained the age of 55 years and completed a contribution period of 20 years.
  - c) Disability or Death: In case of the total disability to practice the relevant activity or in case of death before the expiry of the contribution or within two years from the date of its expiry, then the pension shall become due for your family regardless of your term of contribution in the insurance in addition to the death grant, in the event of death.
2. Pensioners may commute a quarter of the pension in a certain amount to be payable in one payment for facing any emergency circumstances.
3. The periods of the previous service spent in the work with the government sector (civil and military), oil or private sectors or the previous periods spent in the membership of the Municipal Council and Mayors may be conjoined in accordance the regulations and rules set forth in this matter.
4. If the pension eligibility conditions are not available, the insured shall be given a retirement remuneration to be payable according to the prescribed rules and regulations in this respect. Also, the remuneration for the extra period which is necessary for the eligibility of the maximum pension rate shall be due.

## Pension Calculation Method in Chapter Five

The monthly pension shall be computed at the rate of (65%) for (the first 15 years) plus (2%) for every extra year in a maximum limit of (95%) of the average brackets during the last three years.

The retirement pension shall be payable monthly.

## Contribution Termination

The contribution in chapter V terminates when the contribution period in this insurance reaches (15) years and the insured reaches the age of (65) years old.

## Remuneration Eligibility in Chapter Five

- If the insured person is not eligible to a retirement pension upon the expiry of his contribution in this insurance, he shall be eligible to retirement remuneration provided that his contribution period shall not be less than one year.
- Also, he shall receive remuneration for the period extra than the necessary period for being eligible to the maximum pension limit, i.e. (30 years).

## Remuneration Calculation Method in Cha

- Brackets average for the last 3 years x 12 x contribution years x the last rate on the basis of which the contribution is due.



# SUPPLEMENTARY INSURANCE

SUPPLEMENTARY  
INSURANCE





## Supplementary Insurance System Introduction

The Public Institution for Social Security, after covering all citizens who are working inside the country and abroad under the coverage of the Social Security, directed its efforts towards covering the elements of the salary on which the insured depends to secure his living but that are not included within the components of the salary that is subject to the basic insurance system, with such a type of insurance which is suitable to the nature of these components, i.e. the “supplementary insurance” in respect of which the Law Decree No. (128) of 1992 on the supplementary insurance system was issued which we hereunder mention its most important features:

### Its Objective

The objective of this system is to include the cash amounts, on which the insured or beneficiary usually depends on throughout his course of life, but they are not included within the salary subjugated to the basic insurance, particularly the allowances, remunerations and incentives so as to be a part of the pension on which the insured will depend after the termination of his service.

### Coverage Scope

- a) It shall cover the insured persons in Chapter Three (including workers abroad).
- b) The military personnel who are working for the Ministry of Defense, Ministry of Interior, and the National Guard.  
The insurance for the above two categories shall be obligatory.
- c) The insured persons in Chapter Five whose income brackets amount up to (KD 1500) per month.
- d) It shall also cover who desires of categories (a, b) to increase his salary even if he is subject to the obligatory insurance. The insurance for categories (c, d) shall be voluntary.

### Monthly Contributions

(5%) of the supplementary salary shall be borne by the insured monthly plus (10%) of the salary to be borne by the employer.

These contributions shall be paid to the Public Institution for Social Security according to the provisions and within the legally prescribed dates for paying the due monthly contributions against the basic insurance.

## Applicable Date of Supplementary System

Law Decree No. (128) of 1992 on supplementary insurance system is operative as from 1/1/1995.

## Conjoining of Previous Periods

The terms preceding the date of 1/1/1995 during which the insured was subject to the supplementary insurance on supposition that he was subject to it shall be conjoined pursuant to the following conditions:

- a) He shall submit the inclusion application within five years effective from the date of 26/1/1997 or as from the date of subjugation to the insurance, if it comes later on.
- b) Providing an official certificate proving that the applicant was receiving a supplementary salary during the period required to be conjoined.
- c) The contribution salary in the basic insurance during the period to be conjoined should have reached the maximum limit, for the periods spent in the private and oil sectors.
- d) The periods required to be conjoined should be counted in the basic insurance.

## Supplementary Pension Eligibility Cases

The supplementary pension shall be due in such cases where the basic pension shall be due, and the supplementary pension shall be deemed as a part of the retirement pension and it shall be subject to all its provisions.

## Supplementary Pension Calculation Method

The supplementary pension shall be computed based on the balance to be calculated for the insured in the supplementary insurance according to the schedule attached to the law.

## Commutation

It is allowable to commute from the due supplementary pension for the contribution period in the supplementary insurance and the conjoined periods, except the conjoined portion thereof in less than (15%).

## **Retirement Remuneration**

In the event of non-eligibility to a supplementary pension, a retirement remuneration shall become due and it shall be calculated based on the balance and be payable in the same cases where the retirement remuneration is payable from the basic insurance.

## **General Provisions**

All that is not particularly provided for in the supplementary insurance system shall be subject to the provisions of the Social Insurance Law No. (61) of 1976.





# PENSIONS & REMUNERATIONS OF PENSIONERS



## Permanent Retirement Pensions Eligibility Cases (Civil)

The insured shall receive a retirement pension upon the termination of his service for one of the following reasons:

- Death or total disability, or the occurrence of either of them within two years as from the service termination date.
- Medical unfitness or depletion of sick leaves (government sector + fully state owned companies).
- End of the insured service for such reasons that endanger his life if he continues to do his work, provided that he shall have a contribution period of not less than ten years in this work.
- End of service of the married, divorced, or widowed woman for reasons other than the above ones if every one of them is having children and her contribution period reached up to (15 years) and she attained the age stated in Table No. (7 A) attached to the law. In this case, the pension shall be paid without deduction; and this shall be applicable to the married woman without children, provided that two consecutive years should have lapsed since her marriage as at the service termination date.

Also, it is permissible, in the cases of service end falling after 31/12/2009 and before attaining the fixed age in the above schedule, in a period of not more than five years and in a manner that the age upon the service end shall not be less than 40 years, that the insured may select to receive the pension instead of the retirement remuneration provided that the pension should be reduced by the fixed rate in this respect.

- The insured's end of service for such reasons other than the ones stipulated in the previous points and he had reached the prescribed age in Schedule (7 B) attached to this law if he has a contribution period of not less than (15 years) at the age of fifty or (20 years) before that age.
- End of the insured person's service in the cases referred to in the previous point if the period of his contribution reached the fixed limit and did not attain the fixed age in Schedule No. (7 B). In this case, he shall be eligible to the pension but it shall not be paid to him unless he reaches the prescribed age or that death or disability takes place before that.
- End of service of the insured who exercise a hard, dangerous or harmful work and he has an actual period of service of (20 years) in such works.

## Schedule No. (7 A)

Fixing the Age before which the pension shall not be due pursuant to Clause (5) of Article (17)

Age in applying Clause (5)	Service Termination Date
Without fixing a certain age	Up to 30/6/2004
41	From 1/7/2004 to 31/12/2006
42	From 1/1/2007 to 31/12/2009
43	From 1/1/2010 to 31/12/2012
44	From 1/1/2013 to 31/12/2014
45	From 1/1/2015 to 31/12/2015
46	From 1/1/2016 to 31/12/2016
47	From 1/1/2017 to 31/12/2017
48	From 1/1/2018 to 31/12/2018
49	From 1/1/2019 to 31/12/2019
50	From 1/1/2020 to 31/12/2020

Note:

If the pension is due on supposition of the end of service upon reaching a certain age according to this schedule, then the pension shall become due whatever the age is upon the end of service thereafter.

## Schedule No. (7 B)

Fixing the Age before which the pension shall not be due pursuant to Clause (6) of Article (17)

Age in applying Clause (6)	Service Termination Date
46	Up to 31/12/2005
47	From 1/1/2006 to 31/12/2009
48	From 1/1/2010 to 31/12/2012
49	From 1/1/2013 to 31/12/2014
50	From 1/1/2015 to 31/12/2015
51	From 1/1/2016 to 31/12/2016
52	From 1/1/2017 to 31/12/2017
53	From 1/1/2018 to 31/12/2018
54	From 1/1/2019 to 31/12/2019
55	From 1/1/2020 to 31/12/2020

Note:

If the pension is due on supposition of the end of service upon reaching a certain age according to this schedule, then the pension shall become due whatever the age is upon the end of service thereafter.

## Permanent Retirement Pension Calculation Method

The retirement pension shall be due at the rate of (65%) of the last monthly salary for the contribution period calculated in the insurance amounting to (15 years), then it shall be increased at the rate of (2%) per every extra year in a maximum limit of (95%) of this salary, taking into consideration to the following points:

1. Calculating the retirement pension at the highest salary received by the insured during the last five years of service for the insured whose service expired with the government sector or the fully state owned companies; and the decrease in the social allowance will be against the wife or children only.
2. Regarding the insured persons who are working for such entities where the employees are not subject in the determination of their salaries to the approved systems by the Civil Service Council or in respect of which collective agreements were concluded, the pension shall be calculated on the basis of the average salary during the last five years of the insurance contribution period or the full contribution term.
3. As for the insured persons in the private and oil sectors working in other than the fully state owned companies who were granted the social allowance and children allowance pursuant to the National Manpower Support Law No. (19) of 2000, the salary against the eligibility period of the above two allowances shall be computed by adding the social allowance on the basis of which the pension is settled.

The pension shall be reduced in cases of resignation and the like according to the following rates:-

- (5%) if the age upon pension payment is less than (45 years).
- (2%) from (45 years) to (52 years).

## Eligibility Cases of Temporary Retirement Pension

- Termination of the insured service as a result of being exposed to such a disease that depleted his sick leaves (private sector or companies which are not fully owned by the state) and he was not eligible to a permanent pension, the temporary pension in this case shall be calculated based on his contribution period in this insurance or (15 years), whichever is more, until he recovers.
- Termination of the insured person's service due to being finally convicted in a freedom restricting penalty and he was not eligible to receive a permanent pension. In this case, the temporary pension shall be calculated based on the contribution period in this insurance, provided that it should not be less than (15 years.) The payment of this pension shall become due as from the imprisonment period date or the service termination date, whichever is later. The payment shall continue even after the expiry of the imprisonment period until the date of subjugation to one of the Social Security Laws, or the eligibility date of a permanent pension or the expiry of two years after the imprisonment expiry date, whichever is earlier.

## Temporary Pension Calculation Method

The pension shall be calculated monthly at the rate of (65%) of the last monthly salary for the contribution period of (15 years), then it shall be increased by (2%) for every extra year up to a maximum rate of (95%) of this salary.

Salary means (basic salary + social allowance in a maximum amount of KD 1500).

As for those whose service in the private or oil sector ends, the average pension shall be calculated based on the received salary during the last five years.

## Retirement Remuneration Eligibility Cases (Civil)

- If the insured service is terminated and he is not eligible to receive a retirement pension, he shall receive a retirement remuneration to be payable to him in monthly payments if the insured requested payment of the same within one year from the date of service termination; and it shall be payable in one payment after one year from the date of service termination.
- Also, a remuneration shall be payable against the **actual** contribution period that exceeds the required period for the eligibility of the maximum limit of pension. The remuneration shall be payable in one payment along with the retirement pension.

## Remuneration Calculation Method

- Salary x 12 x 10% x 5 for the first five years.
- Salary x 12 x 12% x 5 for the second five years.
- Salary x 12 x 15% x 5 for the third five years.
- Salary x 12 x 20% x the number of remaining years.

## Retirement Pension Eligibility Cases (Kuwaiti Military Personnel)

- Termination of military personnel service due to death or a judgment that proves the discontinued absence or the dismissal for health reasons, or the occurrence of death or total disability within two years as from the date of service termination without being subject to the provisions of the social security law.
- Termination of the insured service because he attains the legally prescribed age for leaving the service or being referred to retirement whenever he has a service period of (15 years).
- Termination of the military personnel service for reasons other than the above ones, whenever his actual period of service reaches (15 years) and he attains the age of (50 years). If he does not attain this age upon the service termination, he should have an actual period of service of (20 years).

## Pension Calculation Method for (Kuwaiti Military Personnel)

**First:** Regarding the service termination cases due to the attainment of the legally fixed age, death or proof of discontinued absence or dismissal for health reasons or referring to retirement; and the age of (45 years) upon the service termination, the pension shall be calculated at the rate of (75%) of the basic salary + social allowance up to (KD 1500) for the first 15 years + (2%) for every extra year up to (100%) of the said salary.

**Second:** As for the service termination for other reasons or for retirement upon the military personnel request and the age is below (45 years) upon the service termination, the pension shall be calculated at the rate of (65%) of the said salary for the first 15 years plus (2%) against every extra year in a maximum limit up to (95%).

**Third:** In case of military personnel service termination for health reasons as a result of an injury or if he is lost during the work or in connection thereof, the pension shall be calculated at the rate of (100%) of the last assessed salary fixed for his rank.

**Forth:** In case of military personnel service termination for health reasons as a result of an injury during military operations or war zones, the pension shall be calculated at the rate of (100%) of the last assessed salary fixed for the next rank following his rank.

The retirement pension shall be payable for military retired personnel on monthly basis.

## Eligibility of Retirement Remuneration For (Kuwaiti Military Personnel)

- The beneficiary shall be eligible to a retirement remuneration in the cases where he is eligible to a retirement pension and it shall be payable in monthly payments or in only one payment as the case may be.
- Also, he shall be eligible to receive a remuneration for the actual service period exceeding the necessary period for being eligible to the maximum pension unit and it shall be paid in one payment along with the pension

## Retirement Remuneration Calculation Method for (Kuwaiti Military Personnel)

- Salary x 1.5 months x 5 for the first five years.
- Salary x 2 months x 5 for the second five years.
- Salary x 2.5 months x remaining period counted in insurance.

## Retirement Pension Eligibility Cases for (Non-Kuwaiti)

### Military Personnel Benefiting from the Provisions of Law No. (31) of 1967

The retirement pension shall become due upon the service termination for one of the following reasons:

- Death or judgment proving discontinued absence or dismissal for health reasons.
- Attaining the fixed age for leaving the service.
- In case of referring to retirement provided that the age shall not be less than (45 years).

## Pension Calculation Method for the abovementioned (Non-Kuwaiti) Military Personnel

- Last monthly salary x (65%) if the calculated service period according to the Law No. (27/1961) is less than (20 years).
- Last monthly salary x (75%) if the calculated service period according to the Law No. (27/1961) is (20 years or more).
- The retirement pension shall be payable to the retired non-Kuwaiti military personnel on monthly basis.

## Retirement Remuneration Calculation Method for the above mentioned (Non-Kuwaiti) Military Personnel

A retirement remuneration shall become due and payable in one payment for those whose service expires after 1/3/1981 for reasons other than the above-mentioned ones, at the rate of one and a half month salary for every service year of the first five years calculated as per the law No. (27/1961) and then at the rate of two months salary for every year of the next five years, and thereafter at the rate of two and a half months salary for every extra year. The salary should be the last monthly salary in addition to the social allowance.

## Retirement Pension Eligibility Cases for (Non-Kuwaiti)

### Military Personnel Not Benefiting from the Provisions of Law No. (31) of 1967

- In case of military personnel service termination for reasons resulting from an injury during the work or in connection thereof, the retirement pension shall be calculated at the rate of (100%) of the last assessed salary fixed for his rank.
- In case of the military personnel service termination for health reasons as a result of an injury during military operations or war zones, the retirement pension shall be calculated at the rate of (100%) of the last assessed salary fixed for the next rank following his rank.

## Combining Pension and Salary

The retirement pensioner, including the Kuwaiti civil or military personnel, may combine between his retirement pension and his due salary if he joined work with the private sector and met the following conditions:-

- The pensioner should have an actual service period not less than (25 years). The retirement pensioners whose service was terminated for attaining the prescribed period for quitting the service or referring to retirement shall be exempted from this provision including the eligible pensions in accordance to the provisions of Chapter Three from the law (ministers, members of the National Assembly, members of Municipality council, Mayors).
- That the employer whose term of service has ended does not return to work unless two years have passed since their term of service was ended.
- The retired pensioner shall submit the combination application within three months from the date of joining the new job.

## Calculation Method of Combination Period upon Expiry

- If the service of the civil pensioner, who combines this pension with the salary, is expired for the combination period, the pension due for him before the combination shall be increased at the rate of (2%) of salary average for every year of the combination period, and he shall be paid the pension and the increase as from the day following the service termination. If the actual service period in which he received a retirement pension and the combination period reached more than (30 years), he shall be eligible to a retirement remuneration to be payable in one payment for the service period exceeding this limit.
- As for the military pensioner, he shall receive a retirement remuneration upon the expiry of the combination period to be payable to him in one payment provided that he submits an application for payment.
- If the combination period reached the period that entitles him to receive a retirement pension, then the civil retirement pension shall become due for him and it shall be subject to the combination rules of the military and civil pensions calculated on the basis that the total military pension in addition to (2%) of the monthly salary against which the civil pension is counted for every year of the due years should not exceed the last pension.

## Commutation by Retired Pensioner

The civil and military, retired pensioner may commute a quarter of the retirement pension, in a maximum limit, provided that the net pension, after deducting the debt premiums, shall not be less than half the salary on the a basis of which the pension is calculated and it shall be payable as per the following periods, as the pensioner selects:

- (5 years)
- (10 years)
- (15 years)

The Commutation amount shall be as per the equivalent Dinar value to the retired person's age as on the date of filing the application according to the attached schedule.

## Commutation During Service

The insured or beneficiary (military) may file the commutation application during the service and for a period of only five years according to the following conditions:-

- He shall have the right to the retirement pension on supposition of the insured resignation or reference of the military personnel to retirement
- The part to be commuted shall not be less than (KD 20/-) and not more than the commutable part.

Age in Commutation Application Date	Commutation Period					
	5 Years		10 Years		15 Years	
	KD	Fils	KD	Fils	KD	Fils
Up to 40	51	671	89	674	117	269
41	51	640	89	545	116	973
42	51	605	89	397	116	639
43	51	563	89	228	116	266
44	51	515	89	038	115	851
45	51	460	88	826	115	393
46	51	400	88	593	114	891
47	51	332	88	334	114	341
48	51	256	88	050	113	740
49	51	174	87	740	113	087
50	51	083	87	403	112	378
51	50	984	87	034	111	609
52	50	757	86	196	109	873
53	50	487	85	206	107	843
54	50	166	84	036	105	481
55	49	782	82	657	102	746
56	49	324	81	037	99	603
57	48	777	79	141	96	028
58	48	127	76	941	92	008
59	47	356	74	410	87	554
60	46	448	72	105	82	700
61	45	937	70	976		
62	45	385	69	618		
63	44	791	68	026		
64	44	470	66	379		
65	44	466	64	688		





# FAMILY PENSION



FAMILY

PENSION



## **Beneficiaries of the Insured's pension upon death, Beneficiary or Retirement Pensioners and those who are subject to Chapter Five Provisions**

Social security means safety and stability for the citizen and his family members during his old age, disability, sickness or in the event of his death.

Consequently, the social security law gives a retirement pension in case of the death of the insured person, the military beneficiary or the pensioner which can help the members of his family, after his death, to afford the cost of living.

In this leaflet we will deal with the following:-

1. Eligible persons to the pension.
2. Their eligibility conditions.
3. Required documents.
4. Pension suspension and termination cases.

### **Eligible Persons on the Date of Death**

If the insured, the retirement pensioner or the insured person who dies within two years from the service termination date or the family of a lost person (males and females), the following persons whatever their nationalities are shall be eligible to his pension:

1. The husband or widows.
2. Children.
3. Parents.
4. Brothers and sisters.
5. Sons & Daughters of the son.

### **Eligible Persons Eligibility Conditions**

- It is a condition that the husband shall be unable to gain his living and this shall be proved by virtue of a letter from the Medical committee of the Institution.
- It is a condition for the eligibility of the (son / brother / and grandson) he should not have attained the age of 26 years, but the following shall be exempted from this provision:-
  1. The person who is unable to earn his living.
  2. The student in post-secondary school stage until he attains the age of 26 years provided that the payment of the relevant share for those who reach this age till the end of the academic year shall be continued.
  3. The one who obtains a university degree or the equivalent or even after that provided that he should not have reached the age of 28 years and he did not join work or exercises such an activity in which he is subject to the provisions of Chapter Five.

- For the eligibility of the (daughter / sister / grand daughter), it is a condition that she should be unmarried (single / divorced / widow).
- For the father's eligibility, it is a condition that he shall prove his dependence on the pension of his deceased son or daughter.
- For mother's eligibility, it is a condition that she should be divorced or widow.
- It is a condition for the eligibility of the brothers and sisters that they should prove that they depend on the pension of their deceased brother during his life in addition to securing the children eligibility conditions.
- It is conditional for the eligibility of the grand sons and grand daughters that their father should have died before the grandfather or died while he was still eligible to the pension of his late father.

### Eligible Persons After Date of Death

1. The daughter, mother, and sister, if they are divorced or widowed for the first time after the death of the insured person or the pensioner.
2. The son and brother, if he becomes disabled after the death of the insured person or the pensioner, shall be eligible (bearing in mind that their eligibility will not affect the shares of other eligible persons).

### Statement of Required Documents from Eligible Persons

1. Copy of death certificate (duly attested by the competent governmental authorities in the issuing country outside Kuwait and the embassy of the State of Kuwait).
2. Copy of Limitation of Succession (duly attested by the competent governmental authorities in the issuing country outside Kuwait and the embassy of the State of Kuwait).
3. Copy of birth certificate or age assessment certificate for the widow or her civil card if she is more than (55 years old).
4. Copy of children birth certificates (males and females) and verification of disability certificate (in case of handicapped child).
5. Copy of salary certificates for the working sons if they are not registered with the Public Institution For Social Security.
6. Verification of disability certificate for the sons who are above 26 years (if any).
7. A certificate showing the widow's account number including the IBAN in the Kuwaiti banks.
8. Copy of nationality certificate for a Kuwaiti widow woman or passport or civil card for the non-Kuwaitis.
9. Certificates on the account numbers including the IBAN of adult children if they are eligible to a certain share in the deceased pension in addition to certificates on account numbers of the minor children from the guardian's side if the guardianship is for a person other than the Public Authority for Minors Affairs.
10. Copies of marriage contracts for daughters or divorce certificates as well as the verification certificates and court judgments that rules by marriage or divorce (if any).
11. Full family address and telephone number.
12. Verification of study certificate for the son above 26 years who studies in a post-secondary school stage.

13. A copy of Civil ID card for all eligible persons.
14. In case of death of a non-Kuwaiti pensioner, the guardianship judgment on the minor children should be attached provided that it should be accompanied with the executive form of the courts of Kuwait.
15. Completing the prepared forms during any follow-up by one of the heirs and which are available with the Public Institution for Social Security, namely:
  - a) Statement of heirs' social status.
  - b) Payment application on Form No. (201)
  - c) A declaration on the non-existence of any children other than those mentioned in the limitation of succession in addition to indicating whether there were children who died before the death of insured or pensioner.

## Death Grant

The death grant shall be payable at the rate of double the salary or income bracket or the retirement pension in addition to double the supplementary pension (if any).

## To Whom should Death Grant be Paid?

It shall be payable to those who are determined by the insured or pensioner while he was alive. If the eligible person to the death grant is not determined, it shall then be payable as follows:

1. To the widow or widows, then to the father, then his mother and thereafter the elder son who is not eligible in the pension.
2. In the death of females, it shall first be due for the husband, then the elder son who is not eligible in the pension, then the father and then the mother.
3. In the absence of the above persons, it shall then be paid to the eligible persons each in the rate of their eligible share in the pension. In the event of no eligible persons, it shall be paid to the legal heirs through the Ministry of Justice.

## Minimum limit of the Share

In all eligible cases, the due share for the eligible person shall not be less than the minimum limit fixed for his category (regardless of the retirement pension amount or the salary before death) and it shall be as follows:-

- (KD 250) for the widow and husband.
- (KD 196) for the father and mother.
- (KD 126) for children, grandsons and granddaughters.
- (KD 126) for brothers and sisters, or double eligible share, whichever is less.

## Combination Rules

The eligible person may combine the retirement pension and the share, even if it is multiple, in an amount which shall not exceed the legally prescribed maximum limit (KD 940). However, the following shall be exempted from the application of combination rules:-

1. The person who is unable to gain living.
2. Children if they are eligible to their father's pension.
3. The widow if she combines her retirement pension and her due salary from her husband.

## Termination

The share shall be terminated

1. Upon the eligible person's death.
2. When the widow becomes eligible in the pension of her last husband, her share in the pension of her previous husband shall be terminated.
3. When the (son / brother / grandson) attains the age of 26 years if he is not enrolled as a student in a post-secondary school stage and able to gain his living.

## Cases of share suspension and Re-Payment

- The share payment shall be suspended in the following cases:
  1. If the eligible person joins work, except the widow.
  2. Marriage of females (and a marriage grant shall be paid to each of the daughter, sister, and granddaughter upon their first marriage and after the death of the insured person or the retirement pensioner) at the rate of six months of the due share.
- The share shall be re-paid in the following cases:
  1. If a female is divorced or widowed.
  2. End of service.

## Indebtedness

### 1. Deceased Person's Legacy Indebtedness:

Upon the death of the insured and pensioner (male or female), the soundness of the salary, retirement pension and the due increments thereto, which he was receiving during his life, shall all be investigated. If it is proved that they are incorrect, the pension shall be re-calculated and this shall result in an indebtedness against the ceased which shall be deducted from the eligible persons within the limit of the quarter of their corresponding shares.

### 2. Indebtedness of Pensions or Shares:

The Public Institution for Social Security shall be informed and notified of (the death of the eligible person, the marriage or divorce of females and when one of the eligible person joins a work or resigns from work) so that no debts can be incurred by the eligible persons, bearing in mind that a set-off will be made between the due portions for the remaining eligible persons and the arising debt, without breach to the right of other eligible persons to claim the person who received such amounts.

## Penalties

Whoever intentionally provides the Public Institution for Social Security with incorrect information or willfully refrains from giving the information provided for in the law for the purpose of obtaining funds from the Public Institution for Social Security without having the right to obtain shall be punished with imprisonment for a period not exceeding one month or with penalty of not more than (KD 225) or with either of the two penalties.

## Martyrs Pensions

These are certain exceptional rules for the calculation and distribution of martyrs pensions in addition to the special rules of combining the due shares from martyrs and the other shares.

## Complaints and Litigation Procedures

No legal action may be filed against the Public Institution for Social Security unless the relevant right is claimed for in writing, then by filing a complaint against the issued resolution on the rejection of the claim to the complaints committee at the Public Institution for Social Security in accordance to the dates legally prescribed.

## Prescription

The rights of eligible persons towards the Public Institution for Social Security shall be forfeited by the lapse of five years from the eligibility date.

## Distribution Rates

Shares shall be distributed to eligible persons in the pension as per the following schedule:

Schedule No. (1) Fixing the Shares of Eligible Persons in the Death of the Insured or Pensioner

No.	Eligible Persons
1	Eligible widow or husband only.
2	More than one widow.
3	Widow or eligible husband with one child.
4	More than one widow with one child.
5	Widow or eligible husband with more than one child.
6	More than a widow with more than one child.
7	Widow or eligible husband with both parents or one of them.
8	More than a widow with both parents or one of them.
9	Widow or widows or eligible husband with brother or sister.
10	Widow or widows or eligible husband with brothers and sisters.
11	Widow or eligible husband with one child, parents or one of them.
12	More than a widow with one child, both parents or one of them.
13	Widow or widows or eligible husband with more than one child, both parents or one of them.
14	Widow or eligible husband with one child and brother or sister or more.
15	More than one widow with one child and brother or sister or more.
16	Widow or widows or eligible husband with more than one child and brother or sister or more.
17	Widow or widows or eligible husband with one child, both parents or one of them and brother or sister or more.
18	Widow or eligible husband with more than one child both parents or one of them and brother or sister or more.
19	Widow or eligible husband with both parents or one of them and brother or sister.
20	Widow or eligible husband with both parents or of one of them and brother or sister or more.
21	More than one widow with both parents or of one of them and brother or sister or more.
22	One child only.
23	More than one child.
24	One child with both parents or one of them.
25	More than one child with both parents or one of them.
26	One child with brother or sister.
27	One child with more than brother or sister.
28	More than one child with brother or sister.
29	More than one child with more than brother or sister.
30	One child with both parents or one of them and brother and sister.
31	One child with parents or one of them and brother and sister or more.
32	More than one child with both parents or one of them and brother and sister or more.
33	Both parents or one of them.
34	Parents or one of them and brother or sister.
35	Both parents or one of them and brother or sister or more.
36	Brother or sister.
37	Brother or sister or more

This schedule is amended by the Law Decree No. (127) of 1992 which is implemented as from 1/5/1993.

Husband or Widows		Children	Parents	Brothers
	3/4			
	Full Pension			
	1/2	1/2		
	2/3	1/3		
	1/3	2/3		
	1/2	1/2		
	2/3		1/3	
	3/4		1/4	
	3/4			1/4
	2/3			1/3
	1/2	1/3	1/6	
	1/2	1/3	1/6	
	1/3	1/2	1/6	
	1/2	1/3		1/6
	1/2	1/3		1/6
	1/3	1/2		1/6
	1/3	1/3	1/6	1/6
	1/3	1/2		1/6
	1/2		1/3	1/6
	1/2		1/4	1/4
	2/3		1/6	1/6
		1/2		
		Full pension		
		1/2	1/3	
		3/4	1/4	
		1/2		1/4
		1/2		1/3
		3/4		1/4
		2/3		1/3
		1/2	1/3	1/6
		1/2	1/4	1/4
		2/3	1/6	1/6
			1/2	
			1/2	1/4
			1/2	1/2
				1/3
				1/2





# INSPECTION ON EMPLOYERS



## Inspection on Employers Inspection Objective

The information provided by the employers and insured persons in relation to the particulars and salaries of the employees constitutes a basic database in determining the rights and obligations connected with social security laws which directly affect the parties of this equation:

### **(the employer, the insured and the Public Institution for Social Security).**

Consequently, it is sometimes necessary for the Public Institution for Social Security to do proper verification of the soundness and correctness of the information provided to PIFSS by applying judicial inspection procedures in order to ensure the soundness of social security systems application and to preserve the rights of all related parties, particularly the employers, and insured persons on one side as well as the protection of the Public Institution For Social Security provident funds against the effects of the false information that is contrary to the real facts, on the other side.

## Resolution No. (5) of 1977

Therefore, it is not strange that the resolution on the provisions and procedures of judicial inspection constitutes one of the main resolutions promulgated since the first beginnings for the implementation of the social security law provision, namely the Resolution No. (5) of 1977, which is implemented as from 14/8/1977 ( the date of its publication in the Official Gazette). Below are the most important clauses of this resolution:

### Article (1)

The employees of the Public Institution for Social Security who are having the authority of judicial checkup shall have the right to control the implementation of the provisions of the social security law referred to hereinabove and the implementing resolutions thereto; and they shall be entitled in this respect:-

1. To enter the work places during the official working hours, without prior notice, to carry out the necessary investigations.
2. To peruse the books, records, papers, documents, and files related to the implementation of the law.
3. To verify the suspension of the certificate which verifies the employer's contribution payment to the institution.
4. To verify that the employer is registering the employees working for him, who are subject to the law provisions, with the Public Institution For Social Security within ten days as from the date of joining work with him.
5. To carryout the necessary investigations and hear the statements of the employer or who represents him and the employees in his service and to prove all this in writing, if necessary.
6. Prepare reports on the inspection results and to refer any crime arising there of which is violating the provisions of the law to the public prosecution or the competent inspector.

## Article (2)

The employees of the Public Institution for Social Security who have the authority of legal control shall carry the identity card that proves their official capacity and they shall present the same whenever they are requested to do so.

### Required Compliance from Employers

1. To comply with providing the joining and termination of service information of the employees and salary adjustments within the legally prescribed dates.
2. Maintain the financial records related to employees salaries.
3. Maintain the necessary administrative records for the employees which are consisting of the appointment decisions or employment contracts and the subsequent administrative resolutions as well as the penalties, leaves, salary increments and service termination.
4. Enabling the judicial inspector to have access to all the above-mentioned records and documents, upon his request.
5. Clearly specify the addresses of the employer's place of business, whether the head office or the other branches in addition to notifying the Public Institution for Social Security with any subsequent amendments which may occur in the firm addresses.

### General Directions

- The Public Institution for Social Security may carryout the judicial inspection procedures at any time whether before or after the registration process and even after the end of service of the insured.
- The Public Institution for Social Security may register any manpower which is subject to the law based on its investigations even if the employer refused to provide the joining notices.
- The non-registration of the subject manpower to the law, the delay of filing such applications and the contribution through false salaries shall result in penalties and extra amounts to be borne by the employer.  
This is in addition to the delay of completing the relevant transactions or submitting the certificates required to be provided to certain competent authorities outside the Public Institution for Social Security.
- The Public Institution for Social Security may carry out the judical inspection procedures on the employers and verify the soundness of the registration of his employees in case of irregularity or the employer has stopped contributions payment due to the Institution.



# INSURANCE SYSTEM AGAINST UNEMPLOYMENT



## Insurance System against Unemployment

In promoting for the comprehensiveness to cover the risks that citizens encounter such as the risk of unemployment which the need for its coverage arose in the light of the global financial crisis and its impact on the State of Kuwait especially on the non-governmental sectors, and in consistent with the efforts of the State to encourage the national labor to direct them on working in those sectors and to encourage those sectors on attracting that labor, the Unemployment Insurance Law was issued in order to achieve the economic security and social stability for the categories addressed with its provisions which will positively reflect on the economy and work composition in the State, including in other areas.

## Objective

To provide an adequate income which enables the insured person to fulfill his essential living requirements until he finds a suitable job opportunity.

## The Subjects to the System

The insured persons working in the private or the oil sectors as of 1/5/2013 .

## Monthly Contributions

The insured person shall bear monthly (0.5%)+ the employer shall bear monthly (0.5%) of the total salary of the insured person in the basic and supplementary insurance.

Those contributions are paid to the Institution in accordance to the provisions and in the legally prescribed dates for payments of monthly due contributions.

## Cases for the Eligibility of the Unemployment Compensation

For the entitlement of the compensation, it is required that the insured person should fulfill the following requirements:

- 1- The age shall not be less than the age of (18) years and no more than the age of (60) years.
- 2- Should complete the determined period for the entitlement of the compensation in accordance with what is provided legally; to be at least 6 consecutive months prior to the entitlement of the compensation in every time it is entitlement.
- 3- Should be able to work.
- 4- Shouldn't be entitled to retirement pension disbursement.

## The Amount of Unemployment Compensation

- The insured person is entitled to a compensation amounting to (60%) of the salary which is calculated on the basis of the basic retirement pension in accordance with the provisions of Article No. (19) from the social security law including the entitled pension in his account in the supplementary insurance assuming his entitlement in the date of service termination.
- Including to this compensation, the increments the state disburses to the employees in the private and oil sectors included to their salaries without being subjected to any social security law.
- It is not permitted to seize or disclaim the compensation and the included increments to it unless to fulfill an expense sentenced by the judiciary and shall not exceed the quarter.

## The Deadline of Unemployment Compensation Entitlement and the Number of Times for its Entitlement

The compensation is due from the 8th day of service termination if the insured is registered at the Manpower and Government Restructuring Program within 30 days from the date of service termination or else his entitled to the compensation is from the date of applying.

## The disbursement will be for a period of (6 months) each time of its entitlement as follows

1. The insured is entitled for the compensation for the first time if the calculated contribution period was in that determined insurance in accordance to the law at least (6 consecutive months).
2. The insured is entitled to the compensation for the 2nd time if the calculated contribution period in the insurance is at least (18 months).
3. The insured is to the compensation for the 3rd time if the calculated contribution period in that insurance is at least (36 months).

## Cases of the Unemployment Compensation Disbursement suspension

The compensation disbursement shall be suspended in the following cases:

- 1- The insured person rejected to join the suitable work when available for him.
- 2- The insured person rejected to join a training course offered by the Manpower and Government Restructuring Program.
- 3- The insured person is self-employed.

4- The insured person joins a work for other party.

5- Not committed to the specified dates for follow-ups or refused to provide the required documents.

The compensation is disbursed in the case provided in item No. (4) as the difference between the compensation's amount and the wage if it is less than the compensation and so for the rest of the entitlement period.

In all cases, the right in the compensation disbursement returns when the reason for the suspension is cleared for the remaining period of entitlement.

### **Cases when the Unemployment Compensation Disbursement is Forfeited**

The insured person's right in the compensation disbursement is forfeited in the following cases:

1- If he rejected to join the appropriate work which is available for him twice.

2- If he rejected to join a training course provided by the Manpower and Government Restructuring Program twice.

3- If he is entitled to a retirement pension.

4- If he is not registered at Manpower and Government Restructuring Program within (6 months) from the date of service termination.

### **General Regulations**

The compensation prescribed in this law shall not be combined with any other amounts which are periodically provided by the State's Public Treasury. The insured person is obliged to notify the Institution and the entity which disburses the mentioned amounts to specify what shall be excluded.

### **Penalties**

Without prejudice to any severer penalty provided by law other, whoever provides with false data for the purpose of obtaining the compensation provided in this law shall be punished by the penalties provided in Article No. (119), (120) and (122) from the referred Social Security Law, and the provisions of Article No. (124) shall apply regarding the fines and the awarded amounts for violating the provisions of this law.





# THE ENTITLED PENSIONS DUE DISABILITY



## The Entitled Pensions Due to Disability

In 28/5/2010, Law No. (8) of 2010 concerning the rights of persons with disability began operating. The Law includes provisions to determine pensions for the disabled and for the persons assigned to take care of them in accordance with the rules and regulations set forth herein and implemented thereto. On 20th of January 2016, the issued law No. (101) of 2015 regarding the amendment of the provisions of articles No. (29), (41) and (42) of law No. (8) of 2010 become effective. On the 7th of March 2016, the law No. (5) of 2016 regarding the amendment of provisions of articles No. (9), (10), and (25)- first paragraph of law No. (8) of 2010 became effective.

### The determined pension for the disabled person in accordance to Article No. (41) of the Law:

The disabled insured person or beneficiary is entitled to a retirement pension in accordance with the following provisions:

- The disability should be permanent or medium or severe and be proved by the decision of the technical committee in the Public Authority for the Disabled.
- The calculated contribution period in the insurance reaches at least 15 years for males and 10 years for females.
- The retirement pension is calculated by (100%) from the salary amounting to (KD 2750).
- Attaining a certain age is not required for the entitlement of the pension.

### The determined pension for whom is assigned to take care for a disabled in accordance with Article No. (42) from the Law:

1. The insured person or beneficiary legally assigned to take care for a disabled person is entitled to a retirement pension in accordance with the following provisions:
  - a) The contribution periods should attain at least (20) years for males and (15) years for females.
  - b) The disabled person should be Kuwaiti or to who are subjugated to the Law.
  - c) The disability should be permanent or medium or severe.
  - d) The person entrusted with the care must be able to provide such care and assume its affairs.
- e) 2 joint years should pass on the marriage from the date of end of service in case of requesting the disbursement due to husband or wife's disability.
- f) The disabled person or his parents or his guardian or his curator as the case may be acknowledges that the applicant for the disbursement is the one who will take care of him.

- g) The applicant should be residing with the disabled in a shared residence.
2. The retirement pension is calculated in the amount of (100%) from the salary in the basic insurance, and the supplementary pension is calculated in accordance to the determined general regulations in this matter.
- It is worth mentioning that the pension referred to is applicable with the provisions of Social Security Law unless not specifically provided for in a special verdict.

### **The determined pension for the disabled person unable to work in accordance with Article No.(43) from the Law:**

- The disabled person who is unable to work is entitled to a disability pension in accordance with the terms and conditions issued by a resolution from the Public Authority for the Disabled, and the Institution will disburse it after it is quantified by the Authority to whom the entitlement terms applies.
- The pension shall not be combined with any allocations, or other pensions and whichever is greater will be disbursed.

### **Excerpts From Law No. (8) of 2010 Regarding the Rights of Persons with Disability(\*)**

**Article (1):** In application of the provisions of this law, the following terms shall bear the meanings provided against each:

1. A Person with Disability: Each person suffering from total or partial illnesses leading to deficiency in his physical, mental or sensational abilities, which may prevent him from securing his living requirements, or fully and effectively participating in the society, equally with others.
2. Competent Technical Committee: The party which the formation and competences shall be determined by a resolution from the Authority, and consists of a team of specialists in the area of disability.
3. The Authority: The Public Authority of the Disabled.
4. Higher Council: Higher Council of the Public Authority of the Disabled.
5. Board of Directors: Board of Directors of the Public Authority of the Disabled.
6. Chairman: Chairman of the Higher Council of the Public Authority of the Disabled.

**Article (2):** The provisions of this law shall apply to Kuwaitis with disability, as well as the children of Kuwaiti female from a non-Kuwaiti, within the limits of health and educational care, and job rights set forth in this law.

The Authority may resolve to give effect to certain provisions thereof to non-Kuwaitis with disability, in accordance with the terms and controls it deems appropriate, upon the approval of the Higher Council.

**Article (3):** A non-Kuwaiti person from a Kuwaiti mother, with disability since birth, shall be treated as Kuwaiti for life, under a resolution to be issued by the Minister of Interior, in accordance with Law No. (21) of 2000, regarding amending certain provisions of Amiri Decree No. (15) of 1959 regarding Kuwaiti Nationality Law..

**Article (25):** Care for persons with disability shall be provided by the mother, or the father, followed by husband/ wife, as the case may be, as long as they are capable of providing such care and handle its requirements. If it is noted that such care is unavailable, one of his relatives residing in Kuwait shall be entrusted to provide it, provided that he is capable of assuming the responsibility of caring for those with disability, maintain such care and supervise his living affairs, as per the following order: children, children of the children, and brothers and sisters. In case of several individuals of one category, they shall select, among themselves, the one who cares for the person with disability, while notifying the supervisor accordingly.

However, if they fail to agree among themselves, and no one offers to assume care, the Authority shall raise the matter to the competent court to assign one of the relatives referred to, or others, to care for those with disability, or decide his residence in a social care house, as the case and circumstances may be.

**Article (28):** The Authority may request the court to change the person assigned to provide care, or refer the person with disability to a care house of the Ministry of Social Affairs and Labor, if needed.

**Article (29):** A monthly allocation shall be disbursed to the person with disability up to the age of (21) years, of which the amount shall be determined by the Authority according to the report of the Competent Technical Committee, and relevant to the type and degree of disability. Disbursement of such allocation shall continue if university study continues up to the age of twenty eight. Also, a non-working woman caring for a person with severe disability shall be entitled to a monthly allocation in accordance with the terms and controls to be set forth by the Authority.

Disbursement of the monthly allocation shall be ceased in the event of full cure from disability, according to a certificate from the competent committee.

**Article (30):** Unless otherwise stipulated, the provisions of the following articles of this chapter shall apply to the persons with severe and medium disability.

**Article (36):** The social allowance prescribed by law for children shall be increased by (100%) of original value for each child with disability. Children with disability shall be exempted from the number of children specified by law to grant such allowance. Retirement pensions of which the pensioners are entitled to such increase shall be re-adjusted according to such increase, and no financial differences shall be disbursed for the period preceding the enforcement of this law.

In all cases, the allowance stated in this article shall not be subject to any deductions in the event of retirement pension settlement. Persons with disability shall maintain the allowance referred to upon allocating the shares in retirement pension to beneficiaries.

**Article (41):** As an exception from the provisions of Social Security Law and Military Staff Pensions Law, the insured or beneficiary, who is disabled according to a decision by the Competent Technical Committee, shall be entitled to a retirement pension equivalent to (100%) of the salary amounting to (KD 2750), if the period of service calculated in the pension is at least (15) years for males, and (10) years for females. In such case, it is not a precondition to attain a certain age.

**Article (42):** As an exception from the provisions of Social Security Law and Military Staff Pensions Law, the insured or beneficiary legally assigned to care for a person with medium or severe disability shall be entitled to a retirement pension equivalent to (100%) of the salary amounting to (KD 2750) if the period of service calculated in the pension is (20) years for males, and (15) years for females. In such case, it is not a precondition for obtaining the pension to attain a certain age, in accordance with the terms and controls set forth by the Authority in agreement with the Public Institution for Social Security.

**Article (43):** A person with disability unable to work shall be entitled to a disability pension in accordance with the terms and conditions for which a decision shall be issued by the Authority. Combining between this pension and the monthly provision due in accordance with Article (29) and the pension due in accordance with Article (41) of this law or in accordance with the referenced Social Security Law or Military Staff Pensions and Remunerations Law, may not take place. A person with disability shall be disbursed with the pension, whichever is greater.

**Article (66):** The Public Institution for Social Security shall be entrusted with implementing the provisions of pensions prescribed by virtue of this law, and for which the provisions of Social Security Law provisions shall apply, in all matters not set forth specifically.

**Article (69):** The public treasury shall bear the financial burdens arising from the application of this law.

**Article (70):** The referenced Law No. (49) of 1996, and all provisions in conflict with the provisions of this law, shall be revoked. All executive resolutions hereof shall remain in force in all matters not in conflict with the provisions of this law, until the issuance of the necessary executive regulations and resolutions hereof.

**Article (71):** This law shall come into force after three months from the date of its publication in the Official Gazette(\*) .

(\*) Published on Volume No. (964) of the Official Gazette, issued on 28/2/2010



**Law No. (110) of 2014**

on determining a financial remuneration  
for subjects to the social security law and  
pension law and retirement remunerations for  
the military upon the end of the contribution.





Law No. (110) of 2014 was issued on 23/7/2014 to determine a financial remuneration for employees who are subjected to it in all sectors, including the self-employed, in order to relieve the citizens upon their retirement and to provide a good living for them and to achieve justice and equality between them. This law was published on the Official Gazette on 10/8/2014 and was effective from 1/1/2015. and law No. (62) of 2015 was issued to amend some of the provisions of law No. (110) of 2014 mentioned above and has been effective since 1/1/2015.

### **First: The Categories that are subjected to the Law:**

The insured persons who work in all sectors, civil and military, as well as practitioners by permit or authorization from the specialized authorities as employers, craftsmen and free-lancers and those working abroad and Kuwaiti citizens working in the GCC as civils or in the military.

#### **The following are excluded from the application of the law:**

- The insured persons who work in the governmental sectors (civil and military) and the fully state-owned companies who join the work before the publication of the law in 10/8/2014 at the authorities which determine a financial remuneration upon the end of service for its employees, so that this category preserves its right from what is determined for it at the authorities which it works for whatever the end of service date may be. But who works from the date of publication shall be treated in the provisions of the law and is entitled to the determined remuneration in the availability of its conditions, and those working abroad.
- The insured persons who work in the authorities mentioned in the previous clause who are entitled to a financial remuneration upon the end of service before the implementation of this law, to achieve the purpose of the law which is to disburse a financial remuneration upon the end of service.
- The insured persons who work before the application of the law at the public institutions and in the companies owned by them in case of reassignment amongst them in a new work contract. Thus, this categories preserves its right in the remuneration in accordance with the legalizations and its determined contracts.
- The insured persons who work for third parties in all sectors, civil and military, as well as the self-employed who are entitled to a remuneration prescribed in this law after its application, for the inadmissibility of the duplication from this remuneration benefit.

### **Second: Remuneration's fund prescribed by the law:**

The remuneration is funded by the due monthly contributions on the insured person in the amount of (2.5%) from the salary or income bracket, as well as the contributions paid by the public treasury in an amount of (5%), in addition to the outcome of the fund investments funds and the other resources and the minimum limit for the

contributions payment is (18) years given that the contributions payment shall be suspended after that.

The remuneration shall be considered in determining the salary which shall be calculated on the basis of the contribution in the salary in a maximum limit amounting to (KD 1500) and therefore it does not include the elements which are including within the salary that is subjected to the supplementary insurance as the allowances and remunerations and others. That shall apply on the insured persons in Chapter Five.

### **Third: Remuneration Calculation and Payment:**

The remuneration is calculated in equivalent to the salary on the basis of which the retirement pension is calculated for each year of the contribution years in a maximum limit of (18) years.

And if the salary upon which the remuneration is calculate was less than (KD 1000) it shall increase in an amount of (KD 200) or which supplements (KD 1000) whichever is less.

The remuneration shall be disbursed from the date of retirement pension entitlement; in case of death, it shall be paid for the rightful heirs.

In case of death or total disability, the due remuneration shall not be less than the calculated remuneration on the basis of (9) years.

### **Forth: Remuneration Entitlement Conditions:**

#### **The remuneration shall be payable when the following two conditions are met:-**

1. The insured person is entitled to a retirement pension upon the contribution end.
2. The contribution period after 1/1/2015 shall not be less than total of (24) months, excluded from this condition are as follows:
  - a) Contribution end cases because of death or total disability or failing to renew the employment contracts or attaining the legally determined age for retirement or upon attaining the age of (65) years.
  - b) Contribution end cases if the calculated actual service period reached (30) years.
  - c) The cases for the termination of contribution for the eligibility of the retirement pension in accordance to the provisions of the articles No. (41) and (41) of law No. (8) of 2010 if the disability case is proven to fall under the category of total disability in accordance to the social security law.

## Questions and Answers concerning the most prominent regulations of the Law No. (110) of 2014:

### 1. What are the purposes of the law?

The law aims to relieve the citizens and to improve their status and their standard of living in the subsequent phase at the end of their services and activities which generate an income for them if they were license owners or free-lancers.

### 2. Who do the provisions of the law address?

In general, the law addresses 3 categories from the citizens and they are:

- a) Employees in government jobs or in both sectors, private and oil, who are subject to the provisions of Chapter Three from Social Security Law.
- b) Kuwaiti Military (army and the armed forces / police / National Guard).
- c) Self-employed who are subject to the provisions of Chapter Five from social security law like (The owners of commercial licenses and permits / lawyers / physicians... etc.).
- d) Kuwaiti employees working abroad subject to the provisions of law No. (11) of 1988, and their likeness.
- e) Kuwaiti employees civil or military in any GCC country subject to the provisions of law No. (44) of 2007, and law No. (6) of 2016.

### 3. Is there any excluded categories from being subjected to the law?

Yes, there are (4) excluded categories from being subjected to its provisions as it is mentioned in items (First) and (Second) as follows:

First: There are provisions relating to the workers in the governmental sectors (civil and military) or in the fully state-owned companies, which the following are excluded:

1. Who joins work before the publication of this law and his employer determined an end-of-service remuneration as the applied system applies on him from the employer and this law shall not apply on him, and thus whatever the source of the remuneration may be (law / regulation / resolution/ contract).
2. Who previously was entitled to an end-of-service remuneration before the enforcement of this law.
3. Who works in one of the public institutions or in the companies owned by them before the enforcement of this law, and then be transferred by a new work contract between them.

Second: There are general regulations which are applied on the mentioned sectors in addition to the private and

oil sectors not owned by the state as the law does not apply on who is entitled to the determined remuneration in the law after its application since the entitlement of the remuneration is for one time only.

Those determined exceptions are in consideration to that the purpose from the approval of the right in the remuneration is originally executed for these categories so there is no need to be subjected in the law.

#### **4. What is the effect of the law's application on the employees in the private and oil sectors in the companies not fully owned by the state?**

In consequent to the enforcement of the law on the employees in these two sectors before the publication of the law the application of its regulations on them even if an end of service remuneration is determined for them by their employers, it will be their right to combine between what may be determined for them from the end of service remuneration from the employer and the prescribed remuneration in this law.

It is limited to those who previously joined work in these sectors before the publication of the law, and those who joined after the date of its publication shall be subjected to its regulations and are entitled to the prescribed remuneration solely.

#### **5. Who is the competent authority to implement the regulation of this law?**

The Public Institution for Social Security is competent to do so, both in terms of the specialized fund for the remuneration and the disbursement of the prescribed rights.

#### **6. What are the insured persons' obligations under this law and what rights will be approved for them?**

The obligations for the insured persons and the beneficiaries are determined to pay the contribution in an amount of (2.5%) from the salary which is subjected to the basic insurance and in a maximum limit amounting (KD 1500), and for the persons subjected to Chapter V from the law are obliged to pay (2.5%) from the monthly income bracket value in the basic insurance in the mentioned limit.

#### **7. What are the employers committed to in accordance with this law?**

The employer is obliged to do the following:

1. To provide PIFSS with the due contributions for the insured persons who work for them within the specified dates.
2. To notify PIFSS every time the end of service remuneration is disbursed for any insured person working for them with enclosing the documents evidencing the disbursement.

## **8. How is the approved remuneration prescribed by the law being financed?**

It is financed through the Fund established for this purpose that the law's regulations determined to add it to the funds established by the social security law, and the provisions that apply on the social security funds shall apply on the remuneration, and specifically regarding the financial position, the payment of any deficit and reserves disposition. Basically, the fund is being financed by the due monthly contributions paid by the insured persons in an amount of (2.5%) from the value of the salary or income bracket in the basic insurance, also the monthly contributions paid by the public treasury in an amount of (5%).

## **9. How is the remuneration calculated upon the end of the contribution and what are the periods included in its calculations?**

The remuneration is calculated equivalent to what is being calculated on the basis of the retirement pension at the end of service date from each year of the contribution's actual and ensured years in accordance to this law in a maximum limit of (18) years.

Noting that the retirement pension shall be calculated in accordance to the regulations in Article No. (19) of social security law for the persons subjects in Chapter Three insurance (workers for employers in different sectors and shall be applied to the military), whereas it shall be calculated for the persons subject to Chapter Five in accordance to Article No. (61).

It is worth mentioning that the law determines an increment on the salary upon which the remuneration is calculated if the referred salary is less than (KD 1000) in an amount of (KD 200) or which supplements (KD 1000) whichever is less.

Example (1): The calculated salary pension of the insured person amounts to (KD 850) the increase of the salary shall supplements (KD 1000), so that the entitled increment in this case shall be (KD 150) and the remuneration shall be settled on the basis of the salary (KD 1000).

Example (2): The calculated salary pension of the insured person amounts to (KD 750) the increase of the salary shall be in a maximum limit amounting to (KD 200) so that the remuneration shall be settled on the basis of the salary (KD 950).

**10. What are the effects resulting from reaching the maximum limit for the contribution period?**

The effects resulting from attaining the maximum limit which is (18) years is the non-eligibility to any contributions that are more than that whether by the insured person or the public treasury also he is not eligible to any rights on regards to the remuneration.

**11. Is the disbursement of the remuneration associated with the retirement pension remuneration?**

The remuneration is disbursed upon the retirement pension entitlement and regardless to whether the disbursement of the pension is due or postponed and then it is conceivable that the insured person is entitled to the remuneration disbursement without the retirement pension disbursement.

Noting that in case of death, the remuneration is disbursed for the legal heirs.

**12. What are the insured person's rights who is in service in the effective date of the law and upon which the regulations are applied, if his contribution ends before completing (18) years and the conditions of the financial remuneration entitlement are met?**

The law determines the eligibility for these cases upon the contribution end to conjoin actual contribution periods previous to the application of this law which supplements the maximum limit for the period upon which the remuneration shall be entitled that is (18) years, wherein he is entitled to a pension salary upon the end of service from each year, and the conjoining amount is deducted from the remuneration which the insured person is obliged to pay in this case, in accordance to what will be refunded later.

**13. What is the amount of conjoining in this case?**

The insured person shall pay (2.5%) from his last salary for each month from the conjoined period and the total amount is fully deducted from the due end of service remuneration.

The Public Treasury shall pay the due actuarial cost for the conjoining after deducting the cost paid by the insured person.

**14. Does the insured person who spent (30) years in service before the enforcement of this law benefit to continue with the contribution after it is enforced?**

The insured person will benefit from continuing in the contribution in accordance to this law as follows:

1. That their continuation in their contribution shall allow them to calculate the contribution period in accordance to this law that will be included in his due remuneration calculation, and the more the calculated contribution period extended the less number of years is required to be conjoined from his previous service period to complete the required (18) years, thus the conjoining amount, which is deducted in a lump sum from his due remuneration amount, shall be decreased.
2. Also, the continuation in the contribution shall allow the insured person to benefit from any approved increment on the salary that is subjected to the basic insurance in its approved maximum limit, and which results in the increase of the remuneration in this part.
3. Also, the insured person shall benefit in this case in addition to the approved remuneration in this law of the determined retirement remuneration in social security law or pension and retirement remunerations law for the military as to its increment for all the periods which extends the maximum limit for the retirement pension entitlement.

**15. What are the insured person's rights who terminated his contribution before the entitlement of the retirement pension?**

The insured person is not eligible to the said end of service remuneration, but is entitled to an amount substitute to the remuneration which is paid for him in a lump sum, and the amount represents the total contributions that are paid by him at the end of each year from his contribution years for which a (5%) is added per annum, thus in a period equivalent to the period in years from the end of each year for the contribution until the date of the entitlement payment.

**16. When shall the entitlement for the due lump sum be?**

The disbursement shall be due when the following cases are satisfied:

1. Upon the retirement pension entitlement or in case of death or total disability.
2. After two years from the contribution termination date without returning to the subjugation for the insurance, and the request for the disbursement shall be in this case upon the request of the insured person.

In all cases, the periods on which the said amounts are paid are not calculated in the contribution period in this law.

**17. What are the law's effect on the regulations that requires to refer the insured persons whom their contribution period attained (30) years for retirement?**

The law determines a special regulation for this category and it applies within the period from its publication from 10/8/2014 until 2/1/2015 which is a transitional period upon which its expiry the provided limitation's effect in this regulation shall expire, and it shall apply on the insured persons, both civil and military, which states to suspend every regulation of referring to retirement to whose actual contribution periods reached (30) years in order to provide an opportunity for this category to benefit from the approved remuneration in this law.

**18. What are the cases for the entitlement of pension excluded from the condition of the obligated contribution period for the remuneration entitlement limited to 24 months as specified in the law?**

- a) Contribution termination cases due to death or total disability or reaching the legal age for service leave, or by reaching the age of (65).
- b) Contribution termination cases if the actual calculated service period is (30) years.
- c) In the case of the end of service for the disabled or their caretaker if disability is proven to fall under the category of total disability.



# IMPORTANT INFORMATION





## Important Information

From the Institution's role in raising awareness about the provisions of social security laws, the Institution lay upon the reader the following information and bulletins:

### Dear Insured - Beneficiary,

Be sure to conjoin previous service periods (civil or military) or periods in which a remuneration is paid or prior obtaining the nationality before service termination to ensure it be calculated within the pension.

### Dear Insured - Beneficiary,

In case you join work or at the end of service, check all the data verified in the form prepared for that purpose to preserve your rights.

### Dear Insured - Beneficiary,

If you are a disabled or are taking care of a disabled person, make sure to fulfill the required papers and documents for the entitlement of the disability pension from the Public Authority of the Disabled before the retirement.

### Dear Insured - Beneficiary,

Make sure of the accuracy of your work data (specifically in the days of discontinuation or unpaid leaves) and know its effect on your retirement pension rights.

### Dear Insured - Beneficiary,

You can conjoin nominal contribution periods to complete the entitlement period of the retirement pension or for the increment of the pension in accordance with the rules and regulations set forth for this matter.

### Dear Insured - Beneficiary,

Always make sure to update your data at work (specifically when the child attains the age of 24 years, the daughter's marriage, children joining work, or their eligibility to the pension including the disability pension).

### Dear Insured - Beneficiary,

Before you take a decision to retire, visit the Institution to make sure of your eligibility to the retirement pension.

### Dear Insured - Beneficiary,

Be sure to provide conjoining period of leave without pay within the contribution period in the insurance during 3 months from work commencement date; to avoid paying any additional amounts when you submit the application before it's too late.

### Dear Insured - Beneficiary,

You can conjoin previous military service to civil and the opposite, and the contribution periods in Chapter V to Chapter III before service termination according to the rules and regulations set forth in this regard.

### Dear Insured - Beneficiary,

Be sure to request for conjoining the periods prior attaining the Kuwaiti citizenship during 2 years from the date of receiving the citizenship.

### Dear Insured - Beneficiary,

If you don't notify your employer of the working son or daughter or the marriage of daughter during your service, the social allowance and your retirement pension shall be recalculated and this shall result in an indebtedness for the employer and the Institution.

### Dear Insured - Beneficiary,

If you have a disabled son who is unable to work and a disability pension is paid for him, please make sure to terminate the disbursement of the social allowance prescribed for him from the employer to ensure no due indebtedness when retiring.

### Dear Insured,

You can view the complete information and the processes related to unemployment insurance through the Institution's official website ([www.pifss.gov.kw](http://www.pifss.gov.kw)).

### Dear Insured,

You can request for conjoining previous service periods spent inside or outside of Kuwait for the employer who is not addressed to the social security law during 2 years from the termination of the period required for conjoining in accordance with the rules and regulations set forth for this matter.

### Dear Insured,

If the employer refused or slackened to register you within 10 days from joining the work, by law, you can register at the Institution to ensure your insurance rights.

### Dear Insured,

For the unemployment insurance to be disbursed whenever it is due, the completion of the contribution period is required for the work in private and oil sectors as long as the last contribution period is not less than 6 consecutive months.

### Dear Insured in Chapter V,

Make sure to choose the appropriate monthly income bracket when requesting to register in accordance to the provisions of Chapter V insurance.

### Dear Insured in Chapter V,

If you are subject to the provisions of Chapter V Insurance, make sure to adjust your income bracket on time according to the tables prepared for it to ensure a retirement pension which insures for you and your family a decent life after retirement.

### Dear Insured in Chapter V,

Did you know that no need to terminate the licenses and the permits issued for you and registered on the basis of Chapter V insurance when you fulfill both period and age conditions for the retirement pension entitlement?

### Dear Insured in Chapter V,

In pursuant to the Law No. (110) of 2014 in determining a financial remuneration upon the date of contribution expiry, it is obliged to pay (2.5%) from the bracket of contribution payments, in addition to the other monthly contributions as from 1/1/2015.

### Dear Insured in Chapter V,

If you are registered in Chapter V insurance, you can amend the bracket based on which the contribution is paid, also you can amend the bracket of contribution commencement within 5 years from the date of the contribution commencement in accordance with the rules and regulations set forth for that.

### Dear Insured in Chapter V,

If you are subject to Chapter V insurance, you can benefit from the SMS service to contact the Institution.

### Dear Insured - Retired,

Did you know that the insured person or pensioner can specify persons for the death grant payment without being restricted by the specified categories in accordance with the law?

Dear Employer,

To avoid paying additional amounts, make sure to register the employees (the Kuwaiti and the citizens of the GCC) working for you within 10 days from the date of joining work.

Dear Employer,

When requesting a registration within the Provisions of Chapter V (as an employer), make sure to fulfill all the required documents prepared for that purpose and which proves the practicing of the activity and its continuation to facilitate the process of the registration and the continuation of the contribution.

Dear Employer,

If you are subject to the provisions of Chapter V Insurance, be sure to renew the license before it expires and to provide the Institution with what proves it in a timely manner in order to preserve your insurance rights.

Dear Employer,

Be sure to pay all the contributions and the due amounts for the Institution in the specific dates, whether you are committed to it or committed to deduct from the employees' salaries to avoid additional amounts forbearance as a result of non-payment.

Dear Employer,

You can pay your due contributions in the specific dates through a monthly deduction by the bank you work with.

Dear Employer,

It is obliged to provide the Institution with the forms specialized for workers in the private sector in their specific times so as to ensure that the contributions are properly calculated.

Dear Employer,

After applying for the unemployment insurance, the employer's total share from the due contributions for the entire social security system amounts to (11.5%) and the insured person's total share amounts to (8%) from the basic and supplementary salary for the employees of the private and oil sectors.

Dear Employer,

If you entrust a contractor with the execution of your works or a part thereof, you shall notify the Institution of the contractor's name and address at least 3 days prior the date of work commencement. The contractor shall be committed to provide such notice in connection with the subcontractor and they shall be jointly liable for the fulfillment of the obligations set forth for the Institution.

Dear Employer,

The false registration of employees will expose you to legal accountability.

Dear Employer,

The punctuality in registration dates and contributions payment and providing annual data according to social security law preserves your rights and the rights of your employees.

Dear Employer,

Please make sure to provide the Institution with the amendments that may occur on the employees' salaries (Kuwaiti / GCC citizens) in January of every year.

Dear Employer,

To preserve your rights and towards the common good, it is obliged to provide the Institution a copy of contribution payment notice on an annual basis for the insured persons, Kuwaiti or GCC citizens.

### Dear Employer,

In pursuant of the Law No. (110) of 2014 in determining a financial remuneration upon the date of contribution expiry, it is obliged on the employer to deduct the contributions due on the insured persons in the amount of (2.5%) from the salary in the maximum limit of (KD 1500) as of 1/1/2015 and pay it to the institution with the other contributions.

### Dear Employer/Insured,

It is obliged to provide the Institution of a certificate from the Manpower and Government Restructuring Program as a statement for the social allowance entitlement and the educational qualification as from 1/8/2012.

### Dear Eligible-Retired Person,

Please note that in order for the insurance rights to be disbursed; it is obliged to provide the Institution with a certificate issued by the bank indicating your personal account and the branch and that the account is not joint.

### Dear Eligible-Retired Person,

Be sure to inform the Institution about everything concerning the termination of the pension, or the entire or partial share or if the entitlement is expired.

### Dear Retired,

If you are a retirement pensioner holder, be sure to inform the Institution in case of joining work in a timely manner whatever the instrument of appointment or payment is.

### Dear Retired,

If you wish to register among the subjects to the provisions of Chapter V insurance; take notice that the registration is optional and the registration application request must be combined with the request to terminate the pension payment and conjoin previous periods.

Dear Eligible Person,

Did you know that the pension in case of death is paid for the eligible persons from the heirs whether they're Kuwaitis or non-Kuwaitis?

Dear Eligible Person,

In case that the heirs are outside Kuwait, you must bring the required official documents for the pension payment of the deceased certified by the official authorities.

Dear Eligible Person,

You must notify the Institution in case of the death of the pensioner or the eligible persons or the marriage of eligible females (mother / widow / daughter / sister / daughter's son).

Dear Eligible Person,

The eligible males including sons or brothers or the grandsons who attained the age of 26 years and in case they continue studying must bring a certificate proving their continuation in studying in one of the educational levels which exceed secondary education.

Dear Eligible Person,

It is necessary to bring declaration of the educational, employment and social statuses of the heirs periodically to ensure the continuity of share payment.

Dear Eligible Person,

Did you know that the sons are eligible to the share from the deceased mother's pension?

Dear Eligible Person,

Did you know that the husband is entitled to the share of his deceased wife's pension if he is unable to gain his living?

Dear Eligible Person,

Did you know that the grandsons and granddaughters are entitled to the share in their grandfather's pension if their father died before the death of the grandfather or after he was still eligible to the pension of his late father?

Dear Eligible Person,

Did you know that the war lost person's eligible beneficiaries receive a share assuming his death when the official documents confirm his lost?

Dear Citizen,

Be sure to update your data at the Institution, specifically when your address is changed.

Dear Citizen,

If you are working in Kuwait for an employer who is not addressed by social security law or you are working abroad, you can contribute to the social security system to ensure yourself and your family.

Dear Citizen,

If you are unable to work and you receive a disability pension in accordance with Article No. (43) of Law No. (8) of 2010, make sure to notify the Public Authority for the Disabled and the Institution in condition you join work to terminate the disability pension payment so that it shall not result in an indebtedness against you.

Dear Citizen,

You can contact us through our Call Center (114) and E-Service ([www.pifss.gov.kw](http://www.pifss.gov.kw)).

Dear Citizen,

Please take note that all banking transactions shall be in accordance with the International Bank Account Number System (IBAN) under the regulations of the Central Bank of Kuwait.

It is also obliged to all transactions that require remittances to provide the institution with letter showing the new bank account number in accordance with the (IBAN) system.

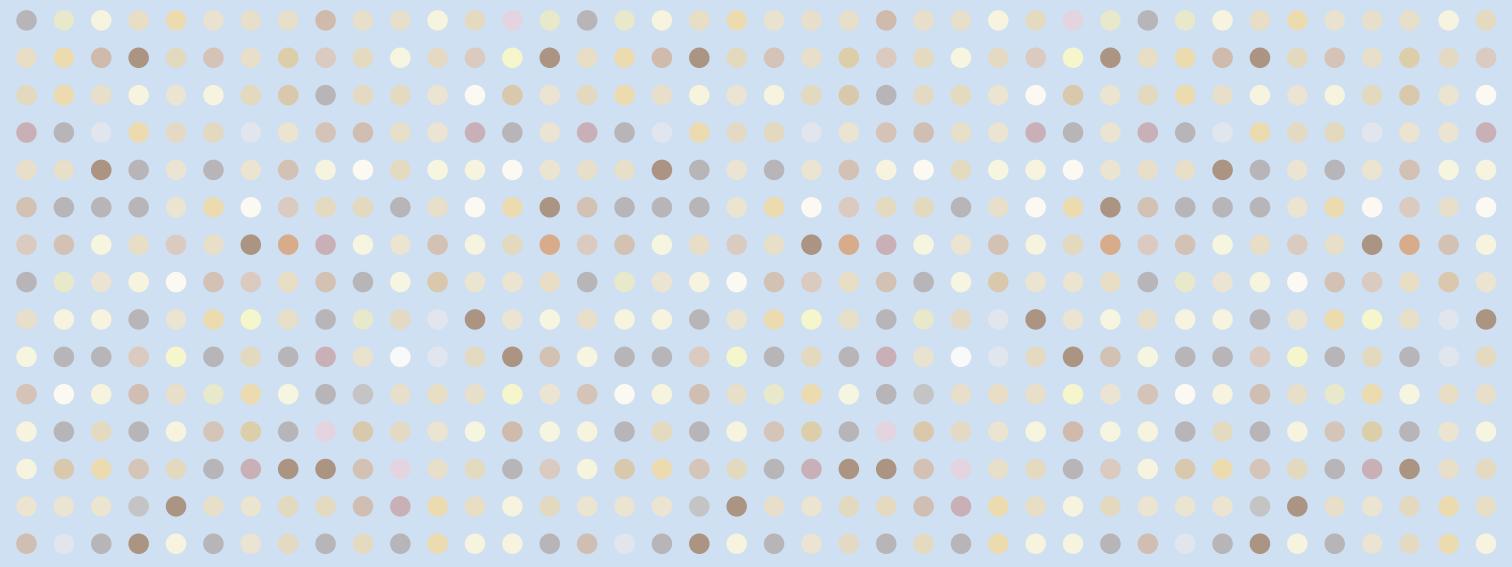
Dear Citizen,

To register in the PIFSS E-Service, login to the Institution's official website ([www.pifss.gov.kw](http://www.pifss.gov.kw)) and fill in the prepared form.

Dear Citizen,

It is necessary to inform the Institution in case a change occurs to the phone numbers, the address of the hiers or the guardian of the minors.





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