

Jordan

Exchange rate: US\$1.00 = 0.71 dinars.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1978.

Previous law: 2001 (social security).

Current law: 2010 (social security).

Type of program: Social insurance system.

Coverage

Employees working in private firms with at least one worker; employers; most government and public-sector workers; and Jordanian citizens working at diplomatic missions or for international organizations.

Voluntary coverage for self-employed persons and all Jordanian citizens residing in the Kingdom or abroad who cease to be compulsorily covered and non-working citizens (including housewives and students), subject to a minimum and maximum wage.

Exclusions: Civil servants hired before 1995 and military staff hired before 2003; foreign employees in international organizations or foreign political or military missions; and casual labor. (A law on coverage for household workers has not yet been implemented.)

Special systems for public-sector employees covered under civil or military pension laws.

Source of Funds

Insured person: 5.5% of gross monthly earnings; insured workers can also contribute for previous uncovered work periods.

The maximum earnings used to calculate contributions range from five times the monthly average covered wage to 5,000 dinars.

The voluntarily insured pay 14.5% of monthly earnings between the national minimum wage and five times the monthly average covered wage.

The national monthly minimum wage is 190 dinars.

The monthly average covered wage for private-sector workers is 421 dinars.

Self-employed person: 14.5% of monthly earnings between the national minimum wage and five times the monthly average covered wage.

The national monthly minimum wage is 190 dinars.

The monthly average covered wage for private-sector workers is 421 dinars.

Employer: 9% of monthly payroll.

The maximum earnings used to calculate contributions range from five times the monthly average covered wage to 5,000 dinars.

The monthly average covered wage for private-sector workers is 421 dinars.

Government: Any deficit.

Qualifying Conditions

Old-age pension: Age 60 (men) or age 55 (women) with at least 180 months of coverage, including 84 months of paid contributions.

An insured person with a minimum number of months of coverage at the normal retirement age may continue to contribute up to age 65 (men) or age 60 (women) to either meet the qualifying conditions for, or increase the value of, the old-age pension.

Dependent's supplement: Eligible dependents include a dependent wife; a dependent, disabled husband; a son up to age 23 or disabled; an unmarried, unemployed, dependent daughter; and dependent parents, brothers, and sisters.

Early pension (for those covered before October 6, 2009): Age 50 with at least 300 months (men) or 264 months (women) of contributions.

Early pension for hazardous occupations: Age 45 with at least 216 months (men) or 180 months (women) of contributions.

Early pensions are also paid to certain groups before age 50, depending on the insured's age on January 1, 2011, gender, and contribution period.

Benefits are payable abroad.

Disability pension: The insured must be assessed with a total or partial incapacity for work and have at least 60 months of contributions, including 36 consecutive months.

Constant-attendance allowance: Paid if the insured requires the constant attendance of others to perform daily functions.

The Central Medical Committee and Appeal Medical Committee assess the degree of disability.

Benefits are payable abroad.

Survivor pension: The deceased had at least 24 months of contributions, including six consecutive months. If more than one survivor is eligible, the pension is split among survivors according to a schedule in law.

Eligible survivors include a widow; a disabled widower with no income; the insured's male children up to age 23; an unemployed, dependent daughter who is unmarried,

widowed, or divorced; dependent brothers younger than age 18; dependent sisters; parents; and an unborn child.

The pension for a widow, daughter, or sister is suspended on marriage but is resumed if she is subsequently widowed or divorced.

Benefits are payable abroad.

Funeral grant: Paid when an insured person dies.

Old-Age Benefits

Old-age pension: The pension is 2.5% of the monthly covered wage up to 1,500 dinars multiplied by the insured's total number of monthly contributions divided by 12, plus 2% of the amount above 1,500 dinars multiplied by the insured's total number of monthly contributions divided by 12.

The monthly covered wage is the insured's average monthly covered wage in the last 36 months.

Dependent's supplement: The pension is increased by 10% for the first dependent (a minimum of 10 dinars and a maximum of 50 dinars) and 5% each for the second and third (a minimum of 5 dinars and a maximum of 25 dinars for each person), up to 20% of the pension.

Early pension: The pension is reduced proportionally according to a schedule in law and is based on the last 60 months of contributions and the insured person's age at application.

If an insured person is not entitled to an old-age pension at retirement age, a lump sum of 10% of the insured's average annual earnings is paid for each year of contributions for less than 10 years of contributions; 12% of the insured's average annual earnings for 10 to 18 years; or 15% of the insured's average annual earnings for more than 18 years of contributions.

Lump-sum benefits can also be paid in certain other cases as determined by the Board of Directors of the Social Security Corporation.

All newly awarded pension benefits are increased by 40 dinars, except for the early pension, which is increased at the normal retirement age.

Benefit adjustment: Pensions are indexed in March every year to inflation or the annual growth in the national average covered wage, whichever is lower, but may not increase more than 20 dinars. Early pensioners are not eligible for an adjustment until the normal retirement age.

Permanent Disability Benefits

Disability pension: 50% of the insured's average monthly earnings in the last 36 months is paid for the first 1,500 dinars of earnings plus 30% of the amount above 1,500 dinars.

The pension is increased by 0.5% for each full year of contributions if the insured has 60 months to 119 months

of contributions; by 1% with at least 120 months of contributions.

Constant-attendance allowance: 25% of the pension is paid.

All newly awarded pension benefits are increased by 40 dinars.

There is no maximum pension.

Benefit adjustment: Pensions are indexed in March every year to inflation or the annual growth in the national average covered wage, whichever is lower, but may not increase more than 20 dinars.

Survivor Benefits

Survivor pension: 50% of the insured's average monthly earnings in the last year of contributions is paid for the first 1,500 dinars of earnings, plus 30% of the amount above 1,500 dinars.

The pension is increased by 0.5% for each full year of contributions if the deceased had 60 to 119 months of contributions; by 1% with at least 120 months of contributions.

Pension benefits are increased by 40 dinars.

Benefit adjustment: Pensions are indexed in March every year to inflation or the annual growth in the national average covered wage, whichever is lower, but may not increase more than 20 dinars.

Funeral grant: 500 dinars is paid.

Administrative Organization

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1978.

Current law: 2010 (social security), implemented in 2011.

Type of program: Social insurance system (cash maternity benefits only).

Coverage

Employees working in private firms with at least one worker.

Exclusions: The voluntarily insured, including self-employed persons, and certain categories of government and public-sector employees as determined by the Board of Directors of the Social Security Corporation.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 0.75% of monthly payroll.

Government: Any deficit.

Qualifying Conditions

Cash maternity benefits: Must have at least nine months of coverage before childbirth.

Sickness and Maternity Benefits

Cash maternity benefits: 100% of the insured's last monthly earnings is paid for up to 10 weeks.

Administrative Organization

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.

Work Injury

Regulatory Framework

First law: 1978.

Current law: 2010 (social security), implemented in 2011.

Type of program: Social insurance system.

Coverage

Employees working in private firms with at least one worker; employers; most government and public-sector employees; Jordanian citizens working at diplomatic missions or for international organizations; and apprentices.

Exclusions: Civil servants hired before 1995 and military staff hired before 2003; foreign employees in international organizations or foreign political or military missions; self-employed persons; and casual labor. (A law on coverage for household workers has not yet been implemented.)

Special systems for public-sector employees covered under civil or military pension law.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: At least 2% of monthly payroll (may be reduced to 1% if the employer assumes the full cost of medical treatment and the payment of daily allowances for temporary disability; may be increased up to 4% depending on the employer's sector risk and implementation of occupational health and safety standards). No contribution is required on wages paid to apprentices.

Government: Any deficit.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

75% of the insured's daily earnings is paid until the insured resumes work, is assessed with a permanent disability, or dies. The employer pays the insured's earnings for the first three days.

Permanent Disability Benefits

Permanent disability pension: If assessed with a loss of working capacity of at least 75%, 75% of the monthly earnings on the day of the injury is paid.

Constant-attendance allowance: 25% of the pension is paid.

Partial disability: If assessed with a loss of working capacity of 30% to 74%, a pension is paid based on 75% of the monthly earnings on the day of the injury multiplied by the percentage of the assessed degree of disability.

The Central Medical Committee and Appeal Committee assess the degree of disability.

Workers' Medical Benefits

Medical treatment, hospitalization, transportation, and rehabilitation services (including artificial limbs) are provided.

Survivor Benefits

Survivor pension: 75% of the covered monthly earnings on the day of the injury is paid. If there is more than one eligible survivor, the pension is split according to a schedule in law.

Eligible survivors include a widow; a disabled widower with no income; the insured's male children up to age 23 if a student or until the completion of the first university degree, whichever comes first; an unemployed, dependent daughter who is unmarried, widowed, or divorced; dependent brothers younger than age 18; dependent sisters; parents; and an unborn child.

The pension for a widow, daughter, or sister is suspended on marriage but is resumed if she is subsequently widowed or divorced.

Pension benefits are increased by 40 dinars.

Funeral grant: 500 dinars is paid.

Administrative Organization

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.

Unemployment

Regulatory Framework

First law: 1978.

Current law: 2010 (social security), implemented in 2011.

Type of program: Social insurance system.

Coverage

Employees working in private firms with at least one worker.

Exclusions: The voluntarily insured, including self-employed persons, and certain categories of government and public-sector employees as decided by the Board of Directors of the Social Security Corporation.

Source of Funds

Insured person: 1% of monthly earnings.

Self-employed person: Not applicable.

Employer: 0.5% of monthly payroll.

Government: Any deficit.

Qualifying Conditions

Unemployment cash benefits: Must have at least 36 months of old-age insurance coverage before the date of entitlement to unemployment benefits.

Unemployment Benefits

Unemployment cash benefits: 75% of the insured's last covered wage is paid for the first month; 65% for the second month; 55% for the third month; and 45% for the fourth to sixth months. Paid for up to three months with contributions of less than 180 months; up to six months with contributions of 180 months or more.

Administrative Organization

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.