

## Jordan

Exchange rate: US\$1.00 equals 0.70 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1978.

**Current law:** 2001 (social security).

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

#### Coverage

Employees older than age 16 working in private establishments with at least five workers; government and public-sector employees not covered under civil or military pension laws; employees of universities, municipalities, and village councils; and Jordanian citizens working at diplomatic missions or for international organizations.

Voluntary coverage for all Jordanian citizens residing in the Kingdom or abroad who cease to be compulsorily covered, subject to a minimum income requirement and a maximum earnings ceiling.

Exclusions: Public-sector employees covered under civil or military pension laws, foreign employees serving in international organizations or foreign political or military missions, and casual labor. The law is yet to be implemented with regard to coverage for the following categories of employees: agricultural workers, seamen, fishermen, and domestic servants.

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

#### Source of Funds

**Insured person:** 5.5% of gross earnings; insured workers can also contribute lump-sum amounts for previous work periods not covered.

Voluntary contributors pay 14.5% of income between 100 dinars and 1,000 dinars.

**Self-employed person:** May contribute voluntarily in certain circumstances. Voluntary contributors pay 14.5% of income between 100 dinars and 1,000 dinars.

**Employer:** 9% of payroll.

**Government:** Any deficit.

#### Qualifying Conditions

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

An insured person with at least 10 years of contributions before reaching the statutory retirement age may continue to contribute up to age 65 (men) or age 60 (women) in order to meet the minimum qualifying conditions.

**Dependent's supplement:** Eligible dependents are a dependent wife; a dependent disabled husband; a disabled son; an unmarried dependent daughter; and dependent parents, brothers, and sisters.

**Early pension:** A reduced old-age pension is payable from age 45 with at least 18 years (men) or 15 years (women) of contributions.

Benefits are payable abroad.

**Disability pension:** The insured must be assessed with a total or partial incapacity for work and have 60 months of contributions of which 36 months are consecutive.

The Central Medical Committee and Appeals Medical Committee are responsible for assessing the degree of disability.

Benefits are payable abroad.

**Survivor pension:** The deceased had 24 months of contributions of which 12 months were consecutive. If more than one survivor is eligible, the pension is split between survivors according to the schedule in law.

Eligible survivors include a widow; a disabled widower; the insured's male children up to age 26 if a student or until the completion of the first university degree, whichever comes first; all dependent daughters if unmarried, widowed, or divorced; brothers (younger than age 18) who were supported by the deceased; sisters supported by the deceased; 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.

#### Old-Age Benefits

**Old-age pension:** The pension is calculated on the basis of 2.5% of the insured's average monthly wage in the last 2 years times the number of years of contributions.

The maximum pension is equal to 75% of the insured's average monthly wage in the last 2 years.

**Dependent's supplement:** The pension is increased by 10% for the first dependent and 5% each for the second and third. The maximum supplement is equal to 20% of the pension.

**Early pension:** The pension is calculated on the basis of 2.5% of the insured's average monthly wage in the last 2 years times the number of years of contributions but is subject to scaled reductions based on gender and age at the time the pension is first received.

For men, the scaled reductions range from 1% if retiring between ages 58 and 59 to 18% if retiring between ages 45 and 46; for women, the reduction is 10% if retiring between

ages 45 and 50 or 5% if retiring between ages 50 and 54; no reduction for women retiring at age 54 or 55.

If an insured person reaches the retirement age, becomes disabled, or dies without entitlement to a pension, a lump sum is paid equal to 15% of the insured's average annual wage in the last 2 years for each year of contributions; if the contribution period is less than 2 years, the lump sum is equal to 15% of the average monthly wage multiplied by the number of months of contributions.

If an insured person ceases work before the retirement age without entitlement to a pension but has between 12 and 59 months of contributions, a lump sum is paid equal to 10% of the insured's average annual wage; with 60 to 179 months, 12% of the average annual wage; with at least 180 months, 15% of the average annual wage.

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

Since January 1, 1996, all newly awarded pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

Benefit adjustment: Benefits are adjusted periodically by the Council of Ministers according to changes in the cost of living.

### **Permanent Disability Benefits**

**Disability pension:** The pension is equal to 50% of the insured's average monthly wage.

The average monthly wage is calculated on the basis of average earnings on which contributions were paid in the last 36 months.

The pension is increased by 0.5% for each full year of contributions if the insured has at least 60 months of contributions; by 1% for each full year of contributions if the insured has at least 120 months of contributions.

Constant-attendance allowance: Equal to 25% of the pension.

Since January 1, 1996, all newly awarded pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

There is no maximum pension.

Benefit adjustment: Benefits are adjusted periodically by the Council of Ministers according to changes in the cost of living.

### **Survivor Benefits**

**Survivor pension:** The pension is equal to 50% of the average monthly wage in the last year of contributions or, if the deceased was a pensioner, 100% of the insured's pension.

The pension is increased by 0.5% for each full year of contributions if the deceased had at least 60 months of con-

tributions; by 1% for each full year of contributions if the deceased had at least 120 months of contributions.

**Funeral grant:** 500 dinars.

Since January 1, 1996, all newly awarded pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

Benefit adjustment: Benefits are adjusted periodically by the Council of Ministers according to changes in the cost of living.

### **Administrative Organization**

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

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1978.

**Current law:** 2001 (social security).

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

#### **Coverage**

Employees older than age 16 working in private establishments with at least five workers; government and public-sector employees not covered under civil or military pension laws; employees of universities, municipalities, and village councils; Jordanian citizens working at diplomatic missions and for international organizations; and apprentices younger than age 16.

Exclusions: Public-sector employees covered under civil or military pension laws, foreign employees serving in international organizations or foreign political or military missions, and casual labor. The law is yet to be implemented with regard to providing coverage for the following categories of employees: agricultural workers, seamen, fishermen, and domestic servants.

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

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 2% of 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). 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**

The benefit is equal to 75% of the insured's daily wage. The employer pays the wage for the day the accident occurred; thereafter, the Social Security Corporation pays the daily benefit. Payment continues until the insured resumes work, is assessed as permanently disabled, or dies.

### **Permanent Disability Benefits**

**Permanent disability pension:** If the insured is assessed as totally disabled, the pension is equal to 75% of the monthly wage used for contribution purposes on the day of the injury.

Constant-attendance allowance: Equal to 25% of the pension.

Partial disability: If assessed as at least 30% disabled, a percentage of the total disability pension is paid according to the assessed degree of disability multiplied by the insured's monthly wage. If assessed as less than 30% disabled, a lump sum is paid equal to a percentage of the total disability pension according to the assessed degree of disability multiplied by 36 monthly wages.

The Central Medical Committee and Appeals Medical Committee are responsible for assessing the degree of disability.

### **Workers' Medical Benefits**

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

### **Survivor Benefits**

**Survivor pension:** The pension is equal to 60% of the covered monthly wage used for contribution purposes on the day of the injury. If there is more than one eligible survivor, the pension is split according to the schedule in law.

Eligible survivors include a widow; a disabled widower; the insured's male children up to age 26 if a student or until the completion of the first university degree, whichever comes first; all dependent daughters if unmarried, widowed, or divorced; brothers (younger than age 18) who were supported by the deceased; sisters supported by the deceased; 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.

Since January 1, 1996, all newly awarded pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

**Funeral grant:** 500 dinars.

### **Administrative Organization**

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