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**Law No. (14) of 2022 amending Some Provisions of the Social Insurance Law promulgated by Legislative Decree No. (24) of 1976**

We, Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain.

Having reviewed the Constitution;

Law No. (13) of 1975 regarding the Regulating of Pensions and Retirement Benefits for Government Employees, as amended;

Law regarding the Regulation of Retirement Pensions and Gratuities for Officers and Personnel of the Bahrain Defence Force and Public Security, promulgated by Legislative Decree No. (11) of 1976, as amended;

Social Insurance Law promulgated by Legislative Decree No. (24) of 1976, as amended;

Law No. (31) of 2005 regarding Social Insurance for Bahrainis Working Abroad and their Equivalents;

Law No. (68) of 2006 approving the Unified Regulation for Extending Social Insurance Protection to the citizens of the Cooperation Council for the Arab States of the Gulf working in countries other than their own in any member state of the Council;

Law No. (3) of 2008 regarding the Social Insurance Organization, amended by Law No (33) of 2014;

Labour Law for the Private Sector promulgated by Law No. (36) of 2012, as amended,

Legislative Decree No. (45) of 2018 regarding the Retirement System for Ministers and their Equivalents, and Retirement Gratuities for Members of the Shura and Representatives Councils, and Municipal Councils;

And Legislative Decree No. (21) of 2020 regarding Retirement Funds and Pensions in Insurance Laws and Regulations;

The Shura Council and the Council of Representatives have approved the following Law, which we have ratified and enacted:

**Article One**

The texts of Article No. (4) Clauses (1) and (5), Article No. (33) Clauses (1), (2), (34), (39), (41), (43), (45) and (88) first paragraph, Article No. (104), and (135) fourth paragraph of the Social Insurance Law promulgated by Legislative Decree No. (24) of 1976 shall be replaced with the following texts:

**Article (4) Clauses (1) and (5):**

**1- The Organization:** The Social Insurance Organization.

**5- The Insured Individual:** The male or female worker subject to the provisions of this Law, even if they are in a probationary period, apprenticeship or under training.

Students attending schools who join an employer for the purpose of training shall not be considered as insured individuals unless their joining is for the purpose of gradual employment.

**Article (33) Clauses (1) and (2):**

1- The share that the employer is obligated to pay to the Organization on a monthly basis from the insurance subscription, amounting to (17%) of the wages of the insured individuals employed by him.

2- The share that the insured individual is obligated to bear, amounting to (7%) of his monthly wage.

**Article (34):**

The insured individual is entitled to the old-age pension in accordance with the duration of his subscription to the insurance, whether it is continuous, intermittent, or periods combined with the subscription period to the insurance, in the following cases:

1- When the insured individual's service ends before reaching the age of sixty years, provided that the duration of the insurance subscription is at least (240) months. The pension amount due in this case shall be reduced by a percentage determined according to the age of the insured individual at the date of requesting the pension payment, based on the Schedule No. (1) attached to this Law. The pension shall be paid by the Organization in this case from the start of the period indicated in the mentioned table, which determines the basis for reducing the pension, or from the day following the date of the end of service, whichever is earlier. The reduction percentages mentioned in the second paragraph of this Clause shall not apply in cases where the insured individual or the beneficiaries request the pension payment due to disability or death.

2- When the insured individual's service ends upon reaching the age of sixty years or older, provided that the duration of the subscription is at least (180) months.

3- When the insured individual's service ends before reaching the age of sixty years, without meeting the required subscription periods in Clause (1) of this Article, he shall be permitted in this case to request the payment of the old-age pension upon reaching the age of sixty, instead of the lump sum compensation specified in Article (38) of this Law, provided that the duration of the insurance subscription is at least (180) months.

In the event of the insured individual's death before reaching the mentioned age, the beneficiaries shall receive the old-age pension, provided that the duration of the insurance subscription is at least (180) months, unless they are entitled to the pension according to Article (37) of this Law.

The pension shall be payable in this case from the day following the insured individual's reaching the age of sixty, or from the day following the date of death.

The periods during which the insured individual receives daily allowances due to temporary disability resulting from work-related injuries shall be included in the calculation of the insurance subscription periods in the three preceding clauses.

**Article (39):**

Taking into account the provisions of Article (34) of this Law, the old-age pension shall be calculated as one fiftieth of the average monthly wages due and paid on the basis of the insurance subscription during the last five years of the insurance subscription period. If the duration of the subscription is less than that, the pension shall be calculated based on the actual duration of the insurance subscription, multiplied by the number of years of the insurance subscription.

It is permissible to increase the pensions due or those eligible under this Law by a decision of the minister, with the approval of the board of directors, taking into account the provisions of the Legislative Decree No. (21) of 2020 regarding Retirement Funds and Pensions in Insurance Laws and Systems.

**Article (41):**

The pension shall be paid in the event of disability or death, calculated as one fiftieth of the last monthly wage paid on the basis of the insurance subscription, regardless of the duration of the subscription, multiplied by the number of years of the insurance subscription, unless calculating the pension according to the provisions of Article (39) of this Law yields a better result for the insured individual or his beneficiaries.

The pension shall not be less than (40%) of the last monthly wage referred to in the first paragraph of this Article.

In all cases, the pension may be increased in accordance with the provisions of the last paragraph of Article (39) of this Law.

**Article (43):**

The calculation of the lump sum compensation referred to in Article (38) of this Law shall be based on (15%) of the average monthly wages due and paid on the basis of the insurance subscription during the last five years. If the duration of the subscription is less than that, the compensation shall be calculated based on the actual duration of the insurance subscription, multiplied by the number of months of the subscription. If the duration of the insured individual's subscription is less than a full year, he shall be entitled to his contributions only.

**Article (45):**

When calculating the duration of the insurance subscription, fractions of a year shall be added together and rounded up to a year if they reach six months or more. Contributions shall be refunded if they fall below this threshold. The insured individual shall as well be allowed to complete fractions of a year by continuing the subscription in accordance with Article (44) of this Law.

**Article (88) first paragraph:**

It is not permissible to receive more than one pension eligible according to the provisions of this Law or any other retirement or insurance law or regulation. If entitled to more than one pension, the pension with the larger value shall be paid or the difference shall be provided to the entitled individual.

**Article (104):**

Insurance contributions shall be calculated based on the data provided in the forms and records referred to in articles (99), (100), and (101) of this Law. If the employer does not submit these forms with the accurate data, the due contributions shall be calculated based on the last submitted statement to the Organization or according to the findings of its investigations, until the actual contributions are calculated.

The Organization shall notify the employer of the contributions calculated in accordance with the first paragraph of this Article, as well as other amounts due to the Organization. The employer shall have the right to object to this claim within thirty days from the date of notification. The Organization shall respond to this objection within thirty days from the date of its receipt. Failure of the Organization to respond within the specified period shall be considered an implicit rejection of the objection.

In the event of the Organization's rejection of the employer's objection, the employer shall have the right to appeal the rejection decision before the competent court within thirty days from the date of the Organization's rejection or from the expiry of any of the specified periods in this Article. Otherwise, the count shall be considered final, and may not be revoked unless a calculation error is proven to the Organization.

The Minister shall issue a decision specifying the mechanisms, rules, and procedures related to investigation, notification and objection to the notification.

**Article (135) Forth paragraph:**

If the monthly pension exceeds the maximum limit mentioned in the preceding paragraph, the insured individual or his beneficiaries shall be entitled to an additional compensation, as a one-time lump sum, equal to 15% of the annual wage specified in Article (43) of this Law for each year of the years included in the insurance period beyond the necessary amount to qualify for the maximum pension limit. This compensation shall be subject to a maximum of seven years after deducting any deemed periods or other periods during which the insured individual did not pay insurance contributions.

**Article Two**

The term the “Minister" shall replace the phrases the “Minister of Labour and Social Affairs" and "the Minister of Labour" wherever they appear in the texts of the Social Insurance Law promulgated by Legislative Decree No. (24) of 1976.

The phrase "the fifty-fifth" shall be replaced by "the sixtieth" for the insured female individual wherever it appears in the texts of the Social Insurance Law promulgated by Legislative Decree No. (24) of 1976.

The phrase "Kingdom of Bahrain" shall replace the phrase "State of Bahrain" and the word "Kingdom" shall replace the word "State" wherever they appear in the texts of the Social Insurance Law promulgated by Legislative Decree No. (24) of 1976.

**Article Three**

A new Clause No. (14) shall be added to Article (4) of the Social Insurance Law promulgated by Legislative Decree No. (24) of 1976, and a fifth paragraph shall be added to Article (135) of the same law. Additionally, a new paragraph No. (d) shall be added to Clause (3) of the principles and conditions to be considered when using Schedule No. (4) attached to the same law, with the following texts:

**Article (4) Clause (14):**

**14- The Minister:**The Minister responsible for supervising the Organization.

**Article (135) fifth paragraph:**

The Authority may, at the request of the insured individual, convert the due compensation according to the preceding paragraph into an additional pension calculated in accordance with Article (39) of this Law, provided that the pension and the additional pension combined do not exceed 90% of the average monthly wages due to the insured individual and on the basis of which the insurance contribution was paid during the last five years. If the duration of service exceeds forty-five years, the employee shall be entitled to a bonus amounting to 15% of the annual wage specified in Article (43) of this Law, up to a maximum of two years.

**Clause (3) Paragraph (d):**

d- In all cases, the required amount for including the duration of previous service in the insurance subscription shall not be less than the bonus amount that was paid to the insured individual as a lump sum under any retirement or social insurance laws, plus an interest of (5%) annually from the date of receiving the bonus until submitting the inclusion request.

**Article Four**

With regard to the application of the provisions of Article (33) of Article One of this Law, the share that the insured individual is obliged to pay upon the enforcement of this Law shall be (6%) of his monthly wage, and shall be increased at the beginning of the year following the entry into force of the law to be the share specified in the same article.

The share that the employer is obligated to pay to the Organization monthly from the insurance subscription shall be (11%) of the wages of the insured individuals working for him. This is upon the enforcement of this Law, and it increases annually by a rate of (1%) until it reaches the share specified in the same article.

**Article Five**

Upon entry into force of the provisions of this Law, the monthly average provided for in Articles (39) and (43) of the Article One of this Law shall be calculated based on the wages due to the insured individual and on the basis of which the insurance subscription has been paid during the last two years of the subscription period. It shall be gradually increased by one additional year every twelve months starting from the month of January following the entry into force of this Law until it reaches the last five years of the subscription period.

**Article Six**

The provisions of Article (33) of Article One of this Law shall apply to the branches provided foir in Clauses (5) and (6) of Article (1) of the Social Insurance Law issued by Legislative Decree No. (24) of 1976, as well as to beneficiaries of the optional insurance provisions according to Article (44) of the same law, and beneficiaries of the provisions of Law No. (31) of 2005 regarding Social Insurance for Bahrainis Working Abroad and their Equivalents

**Article Seven**

The provisions of the replacement of Article (34) of the Article One of this Law shall not apply to the insured individual eligible for pension entitlement upon entry into force of this Law until one year has passed from its entry into force date.

The provisions of the replacement of Clause (3) of Article (34) of the Article One of this Law shall not apply to those whose service was terminated before the entry into force of the provisions of this Law.

**Article Eight**

Pensions due in accordance with the provisions of the Social Insurance Law promulgated by Legislative Decree No. (24) of 1976 shall be increased by (3%) for the year 2021 and not more than thirty dinars, and (3%) for the year 2022 and not more than thirty dinars, upon the entry into force of the law.

**Article Nine**

Article (48) of the Social Insurance Law promulgated by Legislative Decree No. (24) of 1976 shall be repealed, and the Legislative Decree No. (15) of 1987 amending some provisions of the Social Insurance Law promulgated by Legislative Decree No. (24) of 1976 and all its implementing decisions shall be repealed.

Any text that contradicts the provisions of this Law shall be repealed.

**Article Ten**

Non-Bahraini workers shall be subject to an end-of-service gratuity system, and a decision specifying the contribution rates, conditions and terms for calculating the end-of-service gratuity shall be issued by a decision from the Prime Minister, taking into consideration the provisions of the Labour Law for the Private Sector promulgated by Law No. (36) of 2012.

**Article Eleven**

The currently applicable decisions shall remain in effect as long as they do not contradict the provisions of this Law, until the necessary decisions are issued to implement its provisions.

**Article Twelve**

The Prime Minister and the ministers - each within his jurisdiction - shall implement the provisions of this Law, and it shall come into force from the day following the date of its publication in the Official Gazette.

**King of the Kingdom of Bahrain**

**Hamad bin Isa Al Khalifa**

Issued at Riffa palace:

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