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Preface

This pamphlet highlights the principal features of social security schemes in Egypt. The material in this pamphlet reflects a summary of the following laws as in force at the beginning of 1985 :

1. Social Insurance :
Law No. 79-1975 and amendments.
2. Employers and Self Employed Social Insurance
Law No. 108-1976 and amendments
3. Egyptians Working abroad Social Insurance:
Law No. 50-1978 and amendments
4. Social Security System for other members of
working population
Law No. 112-1980.

This pamphlet includes brief descriptions regarding principal provisions in the Stated Laws. It is prepared for convenient reference purposes and does not have the effect of Laws or regulations.

It refers only to programs established by Government, and does not include provisions of private schemes.

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"According to the Law, the state ensures social and health insurance services as well as disability, unemployment and old age pensions to all citizens"

(Article 17 of the constitution)

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INSURANCE STUDIES and RESEARCH CENTER

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ADMINISTRATION OF PROGRAMS

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Funds for insurances are established to execute various programs as follows:

a) Insurance Fund for Civil servants and public authorities officials.

b) Insurance Funds for:

* Employees of Public sector and its economic units, cooperative and private sectors.

* Employers and self employed.

* Insured persons benefiting from the Universal Insurance Scheme.

* Egyptians working abroad.

c) Health Insurance Fund.

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2- The Social Insurance Funds are administered by the following organizations:

- a) Insurance and Pensions Org. is in charge of managing civil servants' Fund.
- b) Social Insurance Org. is in charge of managing Funds mentioned in section 1/b .
- c) Health Insurance Org. is in charge of managing the medical treatment.

Each of the mentioned authorities is considered as a public authority with a legal separate personality, and a budget of its own, annexed to the general budget of the state.

The first two organizations work under the supervision of the Ministry of Insurances, the third organization is under the supervision of the Ministry of Public Health. All Orgs. administer programs through regional directorates and local district offices and clinics,

3- Each Org. has a Board of Directors whose formation, the appointment of its chairman, and the methods its members are elected and their remunerations shall be determined by a Republican Decree.

Employees shall be represented in the Board of the Social Insurance Org. by four members to be nominated by the General Federation of Workers. Employers shall also be represented to the aforesaid Board, by the Chairman of the Federation of Chambers of Commerce, and the Chairman of the Federation of Egyptian Industries.

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The Board of the Org. concerned shall be the supreme power in control of its affairs and the management of its activities and shall in practice:

- a) Issue decisions and regulations connected with the financial, administrative and technical affairs, without being bound by governmental rules and systems.
- b) Study the plans and approve the planning draft-budget of the Org.
- c) Study of the periodical follow-up and performance assessment reports, and issue decisions which are necessary to raise the standard of performance.
- d) Approve the Org. annual final balance sheet and closing accounts, as well as its financial position.
- e) Study legislation on Social Insurance.
- f) Appoint actuaries to examine and prepare actuarial Valuations of the Funds.
- g) Approve the financial, administrative and technical matters which come within the competence of the Board.

5-

The Valuation of each fund shall be reviewed once at least every five years, by one or more actuaries.

Valuation shall comprise the value of existing commitments. If a deficit appears in the moneys of the fund, and the various reserves are not sufficient for its settlement, the Public Treasury shall then be bound to pay it. The actuary shall in this case indicate the reasons for such deficit and the means of remedy. Where the valuation reveals the existence of surplus-money, this money shall be transferred to a special account, and cannot be disposed of except with the approval of the Board of Directors and for the following purposes:

- a) Settlement in full or in part, of the deficit paid by the Public Treasury pursuant to the preceding paragraph.
- b) Setting up a general reserve and special reserves for the various purposes.
- c) Raising the pensions in the light of standard of living prices, in a proportion to be determined by a Presidential Decree.

6- Organizations are exempted from taxes as follows:

- a) Their fixed and movable assets and their investments
- b) Amount of contributions due
- c) Document, forms, contracts, receipts, certificates are exempted from fiscal stamp.
- d) Pensions, indemnities, allowances and all other cash benefits.

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C H A P T E R I I

EMPLOYEES AND WORKERS INSURANCE SYSTEM

THE SOCIAL INSURANCE LAW NO. 79/1975.

P A R T 1

OLD AGE, INVALIDITY AND DEATH INSURANCE (OASDI)

BASIC LAWS AND TYPES OF PROGRAMS:

'Historical: The introduction of old age benefits began with the enactment of labour laws which provide retirement indemnities to workers in the first half of 20th. century.

A pension scheme for governmental employees was first introduced in 1854 by a Khedevial decree. This system was developed by Laws in 1871, 1887, 1909 and 1929. In 1935, this pension scheme stopped to be a general scheme and was only applied to few categories of governmental employees.

In 1950, the Social Security Law No. 116/1950 amended by Law No. 133/1964 provided for a public assistance scheme.

A general provident and insurance fund system was established in 1952 for governmental employees by Law No. 316/1952. A similar system was introduced in 1955 by the law 419/1955 for employees and workers who are covered by the labour contract Law.

The existing system of OASDI began in 1956 for government employees and was established by Law No. 394/1956. In 1961, a similar system was established by Law No. 143/1961 for employees and workers in public and private sectors.

Current Law No. 79 for the year 1975 - a social insurance system comes into force as from 1/9/1975.

COVERAGE :

- * Permanent and Temporary employees and workers in the service of government authorities and public sector.
- * Permanent employees and workers working in private sector.
- * Temporary workers of private undertakings operating in the fields of industry, commerce and services.
- * Foreigners benefit from the scheme if their period of service exceeds one year and on condition that their countries are applying reciprocal treatment for Egyptians.

SOURCE OF FUNDS :

Insured person	:	10% of salaries or wages
Employer	:	15% of salaries or wages
Government	:	1% of salaries or wages
	+	Making up deficits.

- * Maximum basic salary for contribution and benefit purposes 3000 pounds p.a.
- * Maximum variable salary 4500 pounds p.a. (see CHAPTER VI)

QUALIFYING CONDITIONS:

Old age pension : Age 60 and 120 months as contributory period.

Early pensions are entitled at any age if 240 months of contribution credited. Latter pensions are reduced by 5% - 15% according to age at time of leaving service. If age is 55 years or over, no reduction is made. Retirement from insured employment is not necessary after age 60.

Invalidity Pension : Incapacity causing termination of employment.

Qualifying period for insured in private sector only is 3 consecutive months of contribution or 6 interrupted months.

Survivor pension : Same conditions as for invalidity pension. Survivors of pensioners are qualified for pension.

Pension is entitled also in case of invalidity or death during one year from the date of terminating employment.

OLD AGE CASH BENEFITS :

Old age pension : 2.22% of average salaries during the last 2 years per each year of service credited and with a maximum of 80% of the average or 100% of that average if pension is less than 50 pounds.

A minimum of 50% of the average is granted at age of 60 provided qualifying period is not less than 240 months.

Increment on basic pension : 10% without maximum and other 10% with a maximum of L.E. 6.-

Minimum pension : 29 pounds a month.

Lump sum payment : 15% of average annual salaries in last two years of service per each year of credited employment.

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It is paid to workers ending employment permanently before being eligible for pension.

BENEFITS IN CASE OF PERMANENT DISABILITY:

Invalidity Pension : 65% of average salaries during the last year of service or the old age pension assessed upon the actual contribution period plus 3 years if higher.

Maximum pension : 80% of average.

Minimum pension : 29 pounds

SURVIVOR BENEFITS:

Survivor pension : 65% of average salaries of the deceased during last year or the old age pension assessed upon the actual contribution period plus 3 years if higher.

Maximum pension : 80% of average.

Pension to be divided among the following survivors according to schedule in law :

- Widow of any age or widower if invalid;
- Sons and dependant brothers under 21 (26 if students - no limit if invalid);
- Unmarried daughters and dependant unmarried sisters;
- Parents;
- Divorced whose marriage lasted for 20 years and has no income.

Death grant : 3 months salary or pension (in case of pensioner's death).

Funeral expenses : 2 month salary or pension with a minimum of 100 pounds.

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ADMINISTRATIVE ORGANIZATION :

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1. Social Insurance Organisation. Administration of program for insured persons in public and private sectors.
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P A R T II

WORK INJURY INSURANCE

DATES OF BASIC LAWS AND TYPES OF PROGRAMS:

Historical : The first law concerning the compensation of work injuries was law No. 64/1936 which covered all workers in industrial and commercial undertakings. Law No. 86/1942 was enacted to make insurance against work injuries compulsory with a private carrier. Then Law No. 89/1950 was promulgated to ameliorate benefits and to extend coverage to all workers in industry, commerce and services and also agricultural workers working with mechanical implements.

Law No. 117 1950 covers for the first time contingencies due to occupational diseases.

Law No. 202/1958 had ameliorated work injury benefits and made insurance compulsory in the Social Insurance Organization. Benefits were developed to an international level through the Law No. 63/1964.

Current Law : 79/1975 - a complete Social Insurance System.

COVERAGE :

Employed persons in government, public and private sectors and members of productive cooperative societies.

Exclusions : temporary and casual workers in agriculture, employers, self-employed, artisans and domestic servants.

SOURCE OF FUNDS :

Employer : 3% of salaries - may be reduced to 2% if employer provides temporary disability cash benefit.

Government : 1% of salaries - as employer - beside paying the temporary disability cash benefit directly to injured employees.

QUALIFYING CONDITIONS :

No minimum qualifying period. Disability or death which is caused by over-exertion is counted to be as work injury.

Temporary disability cash benefit :

100% of salary or wage payable from first day after injury until recovery, certification of permanent disability or death. In addition the insured is entitled to travel expenses by ordinary or special means as doctor's decision.

PERMANENT DISABILITY BENEFITS :

Total disability pension : 80% of average salaries during last year of service.

Partial disability pension : percentage of full pension proportionate to degree of disability if this degree is 35% or over.

Partial disability compensation : If the degree of disability is less than 35% a lump-sum equal to 4 year's partial pension is remitted.

Increment of 5% of pension each 5 years in case of total disability or partial disability which cause discharge from work until reaching the age of 60.

Minimum pension in case of discharge from work : 29 pounds.

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Medical benefits : General and specialists care, surgery, hospitalization, medicines, xrays and laboratory services, appliances and rehabilitation.

SURVIVOR BENEFITS :

Pension: 80% of average salaries during last year of service.

Increment of pension as in case of disability. Division of pension between survivors, death grants and funeral expenses are the same as in old age insurance.

General rule in disability and survivor benefits : It is permitted to combine between :

- * Work injury benefits (pension or lump-sum) and salary.
- * Work injury pension and OASDI pension if entitled, in latter case total pensions will not exceed 100% of biggest average salaries.

ADMINISTRATIVE ORGANIZATION :

Social Insurance Organization and Insurance and Pension Org. : Administration of contributions and cash benefits.

Health Insurance Organization : administration of Medical care.

specialists care
and laboratory

P A R T III

SICKNESS AND MATERNITY INSURANCE

DATES OF BASIC LAWS AND TYPES OF PROGRAMS :

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Historical : Medical benefits were first provided through labour laws provisions to workers and employees employed in big establishments.

e of disability,
ors, death grants,
e as in old age

Law No. 92/1959 contained some enabling provisions only.

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First law for sickness and maternity was law No. 63/1964 for workers in public and private sectors and No. 75/1964 for governmental employees and workers.

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Current Law 79/1975 and amendments.

sion if entitled,
l not exceed 100%

COVERAGES :

Employees in government, public and private sectors and members of productive cooperative societies.

Pensioners and widows are covered voluntarily.

nd Pension Org.
its.

Exculsions : employers and self-employed, temporary and casual workers in agriculture, domestic servants and small artisans.

SOURCE OF FUNDS :

of Medical care.

Insured persons : 1% of salaries

Employer : 4% of salaries and may be reduced to 3% if employer provides cash sickness benefits to his own employees.

Widows : 2% of pension.

Pensioners : 1% of pension.

Government : None except as an employer.

Insured patient may pay a small fee in course of his medical treatment according to the rules and condition prescribed in a ministerial order.

QUALIFYING CONDITIONS :

Cash medical benefits and medical benefits :

Contributions paid throughout last 3 consecutive months or 6 interrupted months provided that two last months are consecutive.

Medical maternity benefits : above conditions.

Cash maternity benefits :

Contributions paid throughout last 10 months.

CASH BENEFITS FOR INSURED WORKERS :

Sickness cash benefits :
75% of salary during 1st 90 days of sickness,
85% of salary thereafter.

benefits are paid up to 180 days in a calendar year.
100% of salary payable in case of specified chronic and incurable diseases and without any limit of duration.

Maternity cash benefit :

75% of salary payable up to duration of pregnancy/leave stated in labour law or other employment regulations in government or public sector.

MEDICAL BENEFITS :

Includes the following :

- a) Medical services rendered by general practitioners.
- b) Medical services of specialists including dental specialists.
- c) Medical care at home, when necessary.

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- d) Hospitalization or treatment at sanatoria or specialized centers.
- e) Surgical operations and other medical treatment, as necessary.
- f) Radiography, necessary medical and laboratory researches.
- g) Confinement.
- h) Supply of necessary medicines.
- i) Rehabilitation services including artificial limbs and compensatory devices.

consecutive
last months

Maximum duration : No Limit.

Medical benefits for dependants :

Will be provided later according to a decree to be issued by the President of the Republic stating qualifying conditions and contributions.

ADMINISTRATIVE ORGANIZATION :

Health Insurance
Organization

: Administration of medical
benefits through its own
hospitals.

Social Insurance
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P A R T IV

UNEMPLOYMENT INSURANCE

DATES OF BASIC LAWS AND TYPES OF PROGRAMS:

First law : 143/1961 provides for loans to be given to unemployed workers benefiting from QASDI. These loans had to be reimbursed when the worker found a new job.

Law No. 63/1964 introduced, for the first time, a complete social insurance scheme.

Current Law : No.79/1975 provides for a compulsory insurance system.

COVERAGE :

Employed persons in public and private sectors and members of productive cooperative societies.

Exclusions : Government employees, temporary and casual workers, family labor and workers over 60.

Employers and self employed, artisans and domestic servants.

SOURCE OF FUNDS :

Insured person: None

Employer : 2% of salaries

Government : any deficit.

QUALIFYING CONDITIONS :

6 months of contribution, 3 months of which are consecutive and prior to the event of unemployment, able and willing to work, registration and regular reporting at Manpower Office.

The insured services should not have been terminated for reasons connected with honour or honesty or voluntarily.

CASH BENEFITS FOR UNEMPLOYED :

60% of salary payable after 7-day waiting period for up to 16 weeks, extended to 28 weeks if contributions paid throughout last 24 months.

30% of salary if unemployment occurred during the probation period or due to: 1- Discharge for misconduct ; 2 - a manifest infringement of the safety regulations posted up in prominent places at the workplace. Benefits shall be paid during period of vocational training prescribed by the Manpower Office.

Benefit stops in the following cases :

- Refusal of suitable job offer or vocational training
- Working for own account.
- Reaching the age of 60, final departure from the country or emigration
- Receiving a pension which exceeds the unemployment benefit.

ADMINISTRATIVE ORGANIZATION :

Social Insurance Organization : administration of program through its district offices and in collaboration with Manpower Offices.

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P A R T V

SOCIAL WELFARE TO PENSIONERS

The system of social insurance promulgated by Law No. 79/1975 arranges for establishing rest houses for pensioners which provide them with a high standard of social welfare and specifically the following :

- 1- full accommodation.
- 2- intellectual surroundings.
- 3- convenient entertainments.

These houses will be classified according to beneficiaries standard of living. The pensioner has to pay a monthly fee which varies according to the class of the house he is living in. Administration and supervision will be through experts in that branch of social welfare.

Moreover pensioners are granted certain facilities namely:

- 1- Reduction in the expenses of medical care.
- 2- Certain reduction in communication's tariff.
- 3- Reduction in expenses and prices of tours, clubs, museums cinemas and theatres owned or organized by the state.

In order to elevate pensioners' morale it is allowed through intellectual clubs to give suitable work to pensioners which comply with their abilities and experience in return for nominal remunerations.