

Chapter Eight

Old-age, Invalidity and Death As a Social Insurance

- 8/1 Introduction**
- 8/2 Social Insurance Scheme:**
 - 8/2/1 Social Insurance Scheme for Workers
 - 8/2/2 Social Insurance for Other Categories
- 8/3 Old Age, Invalidity and Death Insurance**
 - 8/3/1 Finance
 - 8/3/2 Pensions and Compensations
 - 8/3/3 Rules for Computing Some Contribution Periods
- 8/4 Beneficiaries and Entitlements Conditions**
 - 8/4/1 Determining the Beneficiaries
 - 8/4/2 General Rules
 - 8/4/3 Distribution of Death Pension
- 8/5 Additional Benefits**
 - 8/5/1 Additional Compensation
 - 8/5/2 Death Allowance
 - 8/5/3 Funeral Expenses
 - 8/5/4 Loans
 - 8/5/5 Missing Persons Benefits
 - 8/5/6 Social Care Insurance for Pensioners

8/1 Introduction

**"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 Egyptian Constitution**

Social Insurance :

SOCIAL SECURITY:

The sum of measures taken by a government against shortfalls in income and to provide help at times of special need. One measure commonly employed is social insurance.

SOCIAL INSURANCE:

- A scheme for the payment of benefits by a government or government agency, in respect of contingencies to which people generally are liable (e.g., old age, sickness, accidental injury,

death or unemployment), the benefits being payable in whole or in part out of a fund of contributions by insured persons or their employers. Membership of the scheme is commonly compulsory.

- In Egypt there are five Social Insurance Systems:

1- Social insurance system for workers promulgated by law no 79/1975.

2- Social insurance law for army forces promulgated by law 90/1975.

3- Social insurance system for manpower categories uncovered by the pensions and social insurance laws promulgated by law no. 112/1975.

4- Social insurance system for employers and the like, promulgated by law no. 108/1976.

5- Social insurance system for the Egyptian workers abroad promulgated by law no. 50/1978.

8/2 Social Insurance Scheme

**8/2/1 Social Insurance Scheme for
Workers**

**8/2/2 Social Insurance for Other
Categories**

8/2/1 Social Insurance Scheme for Workers:

Historical Background

The early phases of the Egyptian Social Insurance System dates back to 26 December 1854 when laws and legislation for civil servants, employees and workers' civil pensions came in a raw.

As for workers in the non- governmental sector, they were subjected to social insurance system in the form of compulsory savings and lump sum compensations in cases of invalidity and death under law no. 419/1955, which came into force as from 1st April 1956. In 1958 a compulsory insurance system and labour injuries and occupational diseases compensation were applied to these workers under law no. 202/1958.

As from 1st August 1959, the social insurance system no. 92/1959, replaced laws no. 419 and 202/1958. The death and disability lump sum compensation was turned into pension, then the compulsory savings system became old age pensions system as from 1st January 1962.

On March 3, 1964, Social Insurance law no. 63/1964 was issued comprising health insurance (Gradual) and unemployment insurance as from 1st October 1964.

On August 21/1975 law no. 79/1975 replaced civil pensions legislation for government workers and social insurance for public and private sectors workers as from 1st September 1975.

The law no. 79/1975 was substantially amended by law no. 25/1977 and some of its provisions were amended by laws 30, 32 and 44/1978, law no. 63/1980 , law no. 61/1981, and law no: 47/1984.

Scope of Application:

First : The covered employees :

Provisions of law no. 79/1975 are applied to all workers of the following categories: (Article 2)

a) The civil workers of the administrative system of the state, public authorities, general organizations, and economic units subordinate to any of such departments and the like of public sector economic units.

b) The workers subject to the provisions of the labour Law who fulfill the following

requirements :

1- The age of the insured person should be 18 years and over.

2- The work relation linking the insured person with the employer shall be a regular one. The Minister of Insurance shall issue the rules and conditions necessary to be fulfilled in order to consider the work relation as regular. Shall be excepted from this requirement, workers-working in the contracting field, as well as loading and unloading workers.

Taking in consideration the International agreements that were approved by the Arab Republic of Egypt foreigners working in governmental sectors, also foreigners working in any other sector are subject to social insurance law provided that the contract period is not less than one year and the existence of an agreement for mutual treatment.

C) Those engaged in work connected with domestic and household services except for those working inside private houses who shall be determined by a decree of the Minister of Insurance.

The following is to be noted:

1- Labour injuries insurance is applied to industrial apprentices and students working in summer employment projects and those under 18 year working in the private sector.

2- Health insurance is gradually applied by decrees to be issued by the Minister of Health and is stayed during periods of military service, conservation and official summons to the armed forces, work periods at a body or an organ not subject to this insurance, periods of special leaves, secondments, study leaves and periods of scientific missions abroad.

3- From the unemployment insurance the following are excluded: workers in the administrative machinery units of the state, general organisation, members of the employers' family (close relatives) in personal enterprises, partners who work for wage in their companies, those who reached the age of 60, contracting workers and stevedores.

Problem:

- Determine the people covered by social insurance law no. 79/1975.

Second : Kinds of benefits: (Article 1)

- Old age, disability and death insurance benefits.
- Labour injuries insurance benefits.
(and occupational diseases)
- Health insurance benefits.
(Sickness and maternity)
- Unemployment insurance benefits.

- Pensioners' social welfare.

Under the provisions of this Law, insurance with the competent authority shall be compulsory, and it is not permitted to charge the insured persons with any part of insurance costs except where stipulated by a special provision. (Article 4)

Definitions:

**For applying the provisions of this Law:
(Article 5)**

A) The expression (competent authority) means: The general insurance and pensions authority, or the general social insurance authority, according to the case.

B) The expression (directorate) means : The board of directors of the general insurance and pensions authority, or the general social insurance authority, according to the case.

C) The expression (the insured person) means : The worker subject to the provisions of this Law, and the pensioner benefiting by the medical insurance.

D) The expression (The Employer) means : Whoever employs one or more workers who are subject to the provisions of this Law.

E) The expression (work injury) means : Any of the vocational diseases indicated in Schedule (1) hereto attached, or any injury caused by an

accident occurring during the performance of work or resulting from it. The injury resulting from exertion or exhaustion from work shall be considered a work injury where it fulfills the conditions and rules to be specified a decree of the Minister of Insurance in accord with the Minister of Health. Also, shall be considered as a work injury, any accident which happens to the insured person during the time of his going to perform his work, and during his return from it, provided that going to and returning from his work will be without stoppage, or falling behind, or deviation from the normal route.

F) The expression (the injured person) means: A person who sustains a work injury.

G) The expression (the sick person) means : A person who falls sick by a disease or an accident other than work injury.

H) the expression (total disability) means : Any disability which leads to the permanent quality of loss of ability to the insured person to perform job totally or partially in his original occupation, or generally the loss of ability to earn, and in cases of mental diseases, as well as chronic and incurable diseases to be specified by a decree of the Minister of Insurance in agreement with the Minister of Health.

I) The expression (wage) means : All cash payments obtained by the insured person from his original employer in consideration of his original work.

The work to which the insured person is delegated for full time, or to which he is seconded inside the territory, shall be considered as the main work at the original work location.

They include:

1. The basic wage which shall be taken to mean:

A- The wage provided for, in the table enclosed with the employment schemes relatively to the insured persons working in governmental and public sectors.

B- The wage provided for in the labour contract, as well as the rises occurring therein excluding the elements which are regarded as forming part of the variable wage relatively to the insured persons provided for in Items (B and C) of Article (2), taking into consideration that this yearly wage should not be less than the minimum wage provided for in the tables referred to in Item (A) nor should it exceed L.E. 3000.

If the whole wage is calculated on piece rate, or commission basis, such wage shall be regarded as being a basic wage within the limits of the maximum referred to.

2. The variable wage which shall be taken to mean the remainder obtained by the insured person, particularly the following :

A- The production incentives.

B- The commissions.

C- The gratuity.

D- The allowances, and the Prime Minister shall – upon the proposal of the Minister of Insurance - determine the

allowances which shall not be regarded as an element of the subscription wage.

E- The overtime wages.

F- The compensation for extraordinary efforts.

G- The cost of living allowance.

H- The social rises.

I - The additional social rise.

J - The group bonuses.

K- The group incentives.

L - The share of the insured person in the profit.

M- The amount in excess of the maximum limit of the basic wage, and the Minister of Insurance shall issue a decree for calculating the elements of this wage.

N- A person incapacitated from earning, is any person who sustains an incapacity preventing him totally from work, or reducing his capacity to work by 50% at least. It is stipulated that such incapacity should have been sustained since birth or as a result of an accident or disease the person may be struck by before the age of 60.

3. Private allowances for the workers of the governmental and public sectors.

Establishment of two insurance funds:

Two funds for managing social insurance system for workers as follows: (Article 6)

1) Insurance fund for governmental workers and those working in the state administrative bodies, and in public authorities.

2) Insurance fund for workers in general institutions, economic units, and in cooperative and private sectors.

The resources for each of the above two funds shall consist of the following resources: (Article 7)

1. Contributions payable by employers on behalf of their workers, whether the share which the employer is committed to pay, or the share of contribution of the insured person pursuant to the provisions of this Law.

2. Amounts payable by the public treasury for account of old age, invalidity and death insurance.

3. Amounts payable by the public treasury, or the employer, or the insured persons for accounts of previous service periods calculated within the period of contribution to insurance.

4. Special premiums payable by employers or the insured persons according to the provisions of the Law.

5. Yield of investing the fund's reserves.

6. Additional amounts due for payment in accordance with the provisions of the Law.

7. Other resources resulting from the fund's activity.

8. Subsidies, donations approved by the board of directors.

The financial position of each of the two funds shall be examined once at least every five years, such examination shall be carried out by one or more of actuaries.

This examination should handle the value of existing assets and liabilities, and if a deficit is found in the moneys of the fund, and the various reserves and appropriations are not sufficient for its settlement, the public treasury shall be bound to pay it. The actuary in this case should indicate the reasons of such deficit, and the suitable means for avoiding it.

But if the valuation reveals the existence of surplus money, this money shall be transferred to a special account, and is not allowed to be disposed of except by the approval of the board of directors, and for the following purposes: (Article 8)

1. Full or partial settlement of the deficit previously paid by the public treasury.

2. Setting up a general reserve and special reserves for the various purposes.

3. Raising the pensions in the light of the standard prices, in a proportion to be determined by a Republican Decree on the proposal of the Minister of Insurance.

The social insurance public authority shall be in charge of managing the two above funds:

The mentioned authority shall be considered as national authority having its own moral entity as well as its own separate budget to be annexed to the general budget of the state, and shall be subject to the general

rules, and provisions in force concerning the national authorities and organizations, Minister of Insurance. (Article 9)

The national social insurance shall have a board of directors whose formation, its chairman is the minister of insurance, the method of electing its members and their remuneration shall be determined by a republican decree.

The workers shall be represented in the directorate of the general federation for workers; by four members who are nominated by The general federation of workers also, the employers shall be represented in the said directorate by the chairman of the federation of chambers of commerce, and the chairman of the federation of Egyptian industries. (Article 10)

The directorate of the concerned authority shall be the supreme power in controlling its affairs, and managing its activities, and shall in particular have the right to: (Article 11)

1- Enacting decrees and internal regulation connected with the financial, administrative and technical affairs of the authority, as well as personnel affairs, without being bound by governmental rules and systems.

2- Study the plans and approve the planning draft-budget of the authority.

3- Study follow-up reports, valuation of international conceptions and issuing necessary resolutions for raising standard of performance.

4- Approve the authority's budget and its annual final accounts, as well as its financial position.

5- Study legislation concerning the social insurance.

6- Appoint the actuaries to examine and prepare the financial position.

7- Approve the financial, administrative and technical matters which are within the competence of the directorate pursuant to Laws, decrees and regulations.

The directorate is allowed to form among its members one or more committees and entrust them a part of its powers. The directorate may also mandate to its chairman or to one of the directors of the authority some of the directorate competencies. It may also entrust one of its members or one of the directors to carry out a specified job.

The directorate may form consultative committees to help it in performing its tasks. (Article 12)

The decisions of the directorate shall be submitted for the Minister's approval, that is in connection with items (1, 2, 3, 4 and 5) of Article (11). (Article 13)

The chairman of the board shall represent the authority before judgment, and in its relations with others; and shall be in charge of the following competencies: (Article 14)

1- Implementation of the decisions of the board of directors.

2- Managing the authority, and evolving its system of work and following up the implementation of work in it.

3- Studying & approving the financial, administrative and technical matters, which are within his competence as stated by Laws, decrees and regulations.

4- Submission of the authority's draft budget and closing accounts to the board of directors, within six months from the end of the fiscal year together with a report on the follow up of the authority work, and assessment of its performance.

5- Notifying the competent departments of the authority's draft closing account, within one month from the date of the directorate approval thereof.

6- Providing the ministry and the state agencies with all data and reports requested by them about the authority.

The Chairman of the board may mandate some of his competencies to the directors of the authority.

The minister of insurance shall delegate a substitute to the board's chairman in case of his absence, or if his post becomes vacant.

The minister is entitled to mandate some of his competencies stipulated upon in this Law to the board of directors, or to board's chairman. (Article 15)

The supervision on accounts in the concerned authority shall be carried out by financial officials among the authority personnel, whose names shall be notified to the ministry of finance, and who shall alone have the right to sign the cheques and payment vouchers. (Article 16)

Financing and contributions rules :

The two funds financing:

1- Way of financing:

In the composition of money, the mathematical reserves style is followed. The financial situation of the fund is examined by an actuary or more every five years to demonstrate the existing commitments. In case there is a deficit in the money of the fund the Treasury Board bears it. This deficit is settled later if money surplus is available.

2- Monthly Contributions:

A- for the insured workers:

With the exception of the revenue of mathematical and technical reserves and the public contribution of the state to old age, disability and death insurance specified at 1% of the annual wages, the monthly contributions to be paid by workers and employers represent the basic source of financing and are specified according to wage percentages as follows:

Worker%	Employer%	Insurance
10	15	Old-age disability and death
-	3	Labour injuries
1	4	Health
-	2	Unemployment
11	24	Total

Wage means the financial return the insured person gets for his original work whether it is limited to a certain period or by production or by them both.

The calculation of wage comprises commissions and bonuses in case they are received according to certain rules, allowances, permanent overtime bonus the insured persons share in profits, common awards and other cash benefits up to 7500 L.E. per year. The calculation of wage does not include casual overtime,

premiums, incentive awards, benefits in kind and salaries which exceeds 7500 L.E. per year.

The calculation of wage comprises commissions and bonuses in case they are received according to certain rules defined by a decree to be issued by the Minister of Social Insurance as well as allowances to be determined by a Cabinet decree according to what is referred to it by the Minister of Social Insurance. The calculation of wage does not include overtime, premiums, incentive awards and the insured person's share in profits.

B- For pensioners:

1% of pensions in case they want to benefit from the provisions of treatment and medical care in cases of sickness.

The following is to be noted:

1- When the insured person reaches the pension age the old age insurance is stayed unless his service is extended by a decree to be issued by the competent authority or he continues to work so as to supplement the period of entitlement to pension.

2- Labour injuries contributions for worker in the administrative bodies of the state and in the general organizations and institutions are reduced to 2% instead of 3%.

3- The state's administrative machinery units and the general organizations and institutions afford the temporary invalidity compensations in view of injury or sickness, thus their share in contributions of the labour injuries insurance becomes 1% of wage and in the contributions of health insurance 3% of wage.

4- The public sector units afford the temporary invalidity compensations in view of injury or sickness (self insurance), thus their share in contributions of labour injuries insurance becomes 2% of wage and in the contributions of health insurance 3% of wage.

This can be applied to the big Private Sector institutions according to the approval of the Minister of Insurance.

5- According to certain conditions and with the approval of the Health Insurance Organisation, employers can treat their injured or sick workers or provide them with medical care, and here contributions are reduced.

6- The maximum wage of contribution and benefits is L.E. 300 annually.

7- Contributions are calculated on the basis of monthly wages for workers in the government

and public sectors, and on the basis of the January wage of every year for workers in the Private Sector.

8- In case the employer does not pay the monthly contributions in time he should pay an additional sum or 1% monthly besides additional sums of 2% monthly with 50% as a maximum. In case of default in paying contributions for all or some workers or default in paying contributions on the basis of actual wages, the additional sum is calculated on the basis of 50%.

Problems:

- How much an employee must pay .
- How much an employer must pay .

Rules for calculating the contributions:

First : General Rules (at governmental and public sector):

The contributions payable by the employer shall be calculated on the basis of the wage due to the insured person during each month.

In calculating the wage, it shall be observed that the number of working days in the month is determined by 30 days in respect of those who do not receive their wages on monthly pay roll basis.

No contributions shall be payable for the periods for which he is not entitled to a wage or indemnity thereof.

Without prejudice to the minimum limit for the basis wage of contribution, the Minister of Insurance, by a decree issued by him, at the proposal of the Board of Directors⁽¹⁾ is entitled to define the contribution wage regarding some categories of the insured persons, the means of calculating this wage, the means for calculating the contributions, and the date of their starting to benefit from the compensation scheme (2). (Article 125)

Second : Contributions of Special Periods :

Contributions shall be payable for the following periods according to the rules and provisions mentioned next to each: (Article 126)

1) Periods of secondment abroad without pay, and special leaves periods for working abroad. The insured person shall be bound to pay his own share, as well as that of the

(1) The Minister of Insurance issued:

- Decree No. 219/1981 regarding insurance rules for workers engaged in contracting works.

- Decree No. 78/1978 regarding insurance on local bakery workers, amended by decree 148/1980, amended by decree 175/1981, amended by decree 47/1984.

(2) The paragraph was amended by the Law No. 61 for the year 1981, in a way that the Minister of Insurance is also authorized to determine the method of calculating the wage on which basis contribution is made, and the method of calculating the contributions, then amended by the Law no. 47 for the year 1984 to empower the Minister of Insurance for determining the date for the categories referred to in the compensation scheme.

employer in the contributions. These contributions shall be paid in one of the foreign currencies.

The Minister of Insurance, in agreement with the Minister of Economy, shall issue a Decree (1) defining the kinds of foreign currencies, and the rate of exchange, and the methods and dates of paying the contributions, and the additional amounts payable in case of delaying the payment of contribution, without exceeding the percentages prescribed in the two articles (129) and (130).

2) Periods of special leaves without pay: The insured person shall assume responsibility for his share and the employer's share in the subscriptions, if he wishes to compute them within his subscription period in the insurance. The dates for expressing the desire and payment of subscription shall be determined by a decree of the Minister of Insurance.

3) Periods of study leaves without pay locally: The employer shall be bound to pay his share in the contributions at the periodical dates, and the insured person shall be bound to pay his share as indicated in item (2).

4) Periods of scientific mission without pay: The department dispatching the mission shall be

(1) Decree No. 190 for the year 1977 was issued by the Minister of Insurance, amended by the Decree No. 163 for the year 1978, and published in the Official Gazette- No. 204 on 31.8.1978.

bound to pay the share of the employer, and that of the insured person in the contributions, and to be paid in the periodical dates.

5) Periods of local secondment : The body to which he is seconded, shall assume responsibility for the share of the employer in subscriptions, and the insured person shall assume responsibility for his share. They shall be paid to the body from which he is seconded, in the dates fixed for their payment to the competent in the periodical dates.

The provision of this item shall be applicable with respect to full time delegation cases, regarding the variable subscription wage of the insured person.

Third: Military Service Period: (Article 127)

The department paying the wage of the insured person during the periods he is recalled to, or retained for military service, shall be bound to pay the share of the employer in the contribution. The said department shall be bound to deduct the share of the insured person from his wage. The two shares shall be paid to the competent authority within the periodical dates.

Fourth: Basis of Calculating Private Sector Contributions: (Article 128)

A private sector employer shall be bound to submit to the competent authority statement on the workers and their wages, and their contributions, as per the forms prepared by the authority and according to the conditions and situations prescribed in Article (151).

Contributions shall be calculated on the basis of details set in these forms. If the employer does not submit the details prescribed in the first paragraph, the payable contributions shall be calculated on the basis of the latest statement he submitted to the authority, pending the calculations of contributions actually due.

In case such statements are not submitted, or no registers and documents as referred to in Article (151) exist, the calculation of contributions due, shall be on the basis of the investigations of the authority which shall determine the volume of commitments as per the rules to be included in a decree ⁽¹⁾ issued by the Minister of Insurance at the proposal of the Board of Directors.

The competent authority shall notify the employer of the amount of contributions calculated according to the foregoing paragraph, as well as other amount due by him

(1) Refer to Decree No. 208 for the year 1977 issued by the Minister of Insurance, the Official Gazette- No. 54 issued on 05.03.1978.

to the authority, by a registered letter with acknowledgement of receipt.

The employer is allowed to object against this claim by a registered letter with acknowledgement of receipt, within thirty days of the date of his receiving the notification, together with paying an amount of five pounds - objection fees- to be carried forward to the account provided for in Article (160).

The competent authority shall reply to the objection within 30 days from receiving it, and the employer in case the authority rejects his objection may ask the authority to submit the contention to the committees referred to in Article (157).

The committee shall issue its decision within the limits of the authority's report, and the demands of the employer. The authority shall notify the employer of the decision by a registered letter with acknowledgement of receipt, and the amounts due shall be modified according to such decision.

The amounts due, shall be payable with the lapse of the dates set for appeal without such appeal taking place, or with the issue of the committee's decision, or with the competent authority's rejection of the employer's objection, or the employer's failure to refer the litigation to the committee in charge of investigating the contentions within 30 days from the date he receives the rejection notification.

The employer is allowed to appeal against the decision of the committee before the competent court within 30 days following the date of issuing the decision. The calculation shall be final if the stated period for appeal elapsed without affecting it.

**Fifth : The Due Date of Paying Contributions :
(Article 129)**

The employer shall be under obligation to pay the amounts detailed hereinafter at the dates fixed opposite each of them:

1) The contributions due for the month. They include the contributions which the employer is obliged to pay, and the contributions which the employer is obliged to deduct from the wage of the insured person. Payment shall be made on the first of the month following that in which these contributions fall due, regarding the contributions due on the basic wage and on the first of the month following that in which payment is made, regarding the contributions due on the variable wages.

2) The contributions due by the insured persons on the first of the month following that in which they fall due.

3) The end of service indemnity, or the difference thereof provided for in Item (6) of Article (17) on the first of the month following the date of termination of service of the insured person.

4) The installments due in respect of the amounts of which payment has been delayed at their due date.

In the event of payment of the amount referred to being delayed, the employer shall be under the obligation to pay an extra amount at the rate of 1% (one percent) monthly in respect of the period from due date until the end of the month in which payment has been effected.

The employer shall be relieved of the extra amount if payment is effected within fifteen days from due date for payment.

In all cases, the charges of sending the subscriptions and the amounts payable to the competent authority shall be born by the employer. The competent authority is allowed to carry out collection, in return of a fee amounting to one per thousand, of the value of collected amounts, with a minimum limit of twenty piaster, and a maximum limit of five pounds. Such fee shall be carried forward to the account provided for in Article (160).

The Minister of Insurance shall issue a decree setting the dates, terms, and other conditions to be adopted for collecting the contributions and the amounts due to the competent authority in compliance with the provisions of this law.

In exception to the provisions of the foregoing paragraphs, and upon the proposal of

the board of directors, the decree referred to may in certain cases include the following:-

1) Determination of the method of calculating and collecting the contributions and the collection may be effected through official social insurance stamps, and the decree shall provide for the terms and provisions of using, devaluating and annulling these stamps.

2) Determination of the additional amounts which fall due in the event of delay or default, to the extent of not more than the percentages prescribed in this Article, and Article 130 and defining the authority which shall be obliged to pay them⁽¹⁾.

Sixth: Special Provisions for Private Sector Contributions :

1- With exception to the provisions of Article 125, contributions which are payable by a private sector employer, and those deducted from wages of the insured persons, during a calendar year, shall be calculated on the basis of their wages for the month of January of every year. (Article 131)

(1) The phrase "yield of investment" is substituted by the phrase "additional amount" to accommodate the text with what was concluded by the Committee of Islamic Sharia. Raising the ratio of the due amount payable, in cases of delay in payment, from 6% annually to 1% monthly.

2- Contributions payable by the insured persons referred to, in the previous article who join service after the month of January, shall be calculated on the basis of the wage for the month during which they join the service, until the month of January of the following year, then they are treated thereafter on the basis indicated in the previous Article.

Concerning the workers to whom this law is applied for the first time, their contributions shall be calculated on the basis of their wage for the month in which the law begins to be applied to them, until the month of January of the following year, then they are treated thereafter on the basis indicated in the previous Article.

Contributions shall be payable in full, for the month during which the service begins, and shall not be calculated for the part of the month, during which the service is terminated. (Article 132)

3- With exception to the third paragraph of Article (125), and without prejudice to Article (126), the private sector employer shall pay the contributions in full if the work contract is suspended, or the wages of the insured persons are not sufficient for that.

Amounts which the employer pays on behalf of the insured persons shall be considered as a loan, and their payment shall be in accordance

with the provisions to be issued by a decree (1) of the Minister of Insurance.

Both the employee and the employer shall be exempted from payment of contributions due for the period of the military conscription.(Article 133)

Establishing of a treatment and medical care fund

Fund Financing : (Article 83)

A fund for the treatment of diseases, and work injuries shall be established. Its money is composed of the following sources:-

(1) Contributions paid by the competent authority, out of work injuries insurance account, in the following percentages:

a) 1/2% of the wages of the insured persons working for the state administrative system, public authorities, general organizations.

b) 1% of the wages of the remaining insured persons subject to the said insurance.

(2) Contributions payable by the competent authority out of the (sickness) medical insurance account at the rate of:

a) 4% of the wages of the insured persons.

b) 1% of the pensions of pensioners.

(1) Decree No. 208 for the year 1977 issued by the Minister of Insurance, and published in the Official Gazette- No. 54 on 5.3.1978.

(3) Charges payable by the patient not exceeding two pounds, whose value, cases of its entitlements, and bases for exemption therefore shall be determined by a decree issued by the Minister of Health in agreement with the Minister of Insurance.

(4) Proceeds of investing the Fund's moneys.

(5) Other finances resulting from the Fund's activity.

(6) Subsidies, donations, and grants which the board of directors decides to accept.

In case of realizing surplus moneys of the Fund, such surplus shall be carried forward to a special account, the disposal thereof shall not be effected except by approval of the Board of Directors of the Health Insurance General Authority, and for the following purposes:

1) Improving the level of treatment and medical care for the insured persons.

2) Expansion in applying the health insurance scheme provided for in the present Law.

3) Financing constructional and investment programs, as well as programs of training and reach connected with the authority's activities.

Management of the Fund :

1- The management of the fund shall be run by a public authority named the Health

Insurance Public Authority. It shall have a legal person, under command of the Minister of Health. It shall have a special budget included in the General Budget of the state. A Republican Decree shall be issued for forming its board of directors, determining its competencies upon the suggestion of the Minister of Health, in agreement with the Minister of Insurance. (Article 84)

2- The Health Insurance General Authority shall undertake treatment of the injured person of patient, and provide medical care for him until his recovery or his total disability is established. The competent authority shall have the right to keep the injured person or the patient under observation wherever his treatment is going on.

Medical treatment and care shall have the meaning stipulated upon in Article (47), also, it shall mean the medical care and treatment rendered to the insured women during pregnancy and confinement. (Article 85)

3- With due regard to the provision of paragraph (3) of Article (48) the treatment of the injured person, or the patient, and his medical care shall be through the treating bodies determined for them by the Health Insurance General Authority. This authority is not allowed to render this treatment, or to provide medical care at clinics, specific sanitariums, public

hospitals, or specialized centers except under special agreements concluded.

For this purpose, in such agreements, the minimum standards of medical service and costs shall be determined. In such a case, the standard of medical service should not be less than the minimum standard specified by a decree issued by the Minister of Health in agreement with the Minister of Insurance⁽¹⁾. (Article 86)

4- The Health Insurance General Authority shall undertake medical examination on the workers liable to be attacked by one of the professional diseases indicated in Schedule No.(1) appended to this law, against the collection of check-up fees of 500 Milliemmes for each insured person liable to be attacked by one of the aforesaid diseases, to be charged to the employer.

The Minister of Insurance shall issue in agreement with the Minister of Health a decree determining the conditions and positions for making periodical check-up.⁽²⁾

The Health Insurance General Authority shall notify the Ministry of Manpower of cases of

(1) Decree No. (140) for 1976 was issued by the Minister of Health and published in the Official Gazette-No. 115 on 18.5.1976.

(2) Decree No. 218 for 1977, was issued by the Minister of Insurance, and published in the Official Gazette-No. 239, on 17.10.1977.

professional diseases which appear among the workers, and death cases resulting therefrom. (Article 87)

5- The treating body shall be held responsible for notifying the injured person of the patient of the termination of treatment, and of what may have occurred to him of disability, and its percentage. The patient has the right to apply for a review of the report of treatment termination, or the resulting disability, in accordance with the medical arbitration provisions stipulated upon in Chapter (4).

The treating body shall also be bound to give the notification referred to in the previous paragraph, to each of the employer, and the competent authority, indicating days of absence for treatment if any. All these shall be in accordance with the conditions and positions to be determined by a decree issued by the Minister of Health in agreement with the Minister of Insurance (1).

The treating body decision for extending the sick leave shall be binding to the employer. (Article 88)

6- Disability cases as prescribed under the present Law shall be established by a certificate of the Health Insurance General Authority,

(1) Decree No. (139) for 1976 issued by the Minister of Health, published in the Official Gazette No. 138 issued on 14.6.1976.

details of which shall be defined by a decree of the Minister of Insurance at the proposal of the board of directors (1).

The Health Insurance General Authority shall have the right to entrust the medical counsels for establishing disability cases referred to. (Article 89)

8/2/2 Social Insurance For Other Categories

1- Social insurance system for employers and the like:

Historical background:

Some of the provisions of the social Insurance law were applied to some employers on 1st November 1973 under law no. 61, 1973. This law was replaced by law no. 108, 1976 which added new categories of self-employers, workers for their own account and therefore it was called the Social Insurance Law for Employers and the like.

(1) Decree No. 210 for 1976, issued by the Minister of Insurance, published in the Official Gazette No. 277 on 7.12.1976.

Scope of application:

The law comprises the following categories whose ages range from 21 to 60 years and are not covered by pensions and social insurance laws:

1- Persons who, for their own account, practice a commercial or industrial or agricultural activity.

2- Artisans and others who render services for their own account.

3- Partners in personal companies of joint liability.

4- Workers in liberal professions.

5- Productive members in productive cooperative societies who work for their own account.

6- Owners of agricultural lands the area of which 10 feddans and more.

7- Proprietors whose annual share is L.E. 250 and more of the rental value of buildings.

8- Owners of means of transport for persons or goods.

9- Officials authorized to perform civil marriages and notaries other than monks.

10- Men-of-letters and artists.

11- Mayors and chiefs of villages.

12- Guides and tourist guides.

13- Commercial agents.

Financing:

- The insured person chooses the category of income on the basis of which contributions are calculated.

- There are 16 categories of income which range from L.E. 12 to L.E. 200.

- The rate of contribution is 15% of category of income chosen by the insured person.

- The insured person may amend the income category of his contribution to the next higher category on condition that his age does not exceed 55 years. He may also amend his contribution to lesser income if his financial condition justifies this amendment. Amendment becomes valid as from the first of January following the request of amendment.

Benefits of the system:

Old age benefits:

- 1- Falls due at the age of 65 even if the insured person continued his activity.

- 2- The contribution period should not be less than 180 months.

- 3- Pension is calculated on the basis of $\frac{1}{45}$ of the income category or the average income categories on the basis of which contributions were paid for each of the contribution years.

4- The maximum pension is 80% of the contribution income category or average categories (this maximum pension is increased to 100% or L.E.30 monthly whichever is lesser for those whose pensions do not exceed L.E.30 monthly). If pension exceeds this maximum the insured persons or beneficiaries are entitled to lump sum compensation at the rate of 108% of the contribution income on the basis of which pension was calculated for each of the additional years of contribution. The minimum pension is 50% of the contribution category or average categories if the contribution period reaches 240 months.

5- If the insured person's contribution period is 240 months he can have a pension in case of practicing no activity before reaching the age of 65. Here pension can be reduced at rates that range from 5% to 20% according to the age at the time of requesting pension.

Permanent total invalidity and death pension:

1- For pensions to be due:

- The contribution period should not be less than 3 consecutive months or 6 intermittent months.
- Death or total invalidity should occur before the age of 65 whether during the period of continuous activity or during one year at most from the date of terminating this activity.

2- Pension is calculated at the rate of 1/45 of the contribution income or average incomes for each of the years of contribution to insurance to which 3 years or 50% of the income or the average is added... To this percentage half of the difference between it and the percentage of the maximum old age pension amounting to 80% is added.

Thus the minimum invalidity or death pension is 65% of the contribution income or the average contribution incomes.

3- If total invalidity or death result from labour injury a pension is due at the rate of 80% of the contribution income or the average contribution incomes.

Lump sum compensation:

a) A lump sum compensation is due in the following cases:

- 1- Final migration.**
- 2- The foreigner's final departure.**
- 3- Entering the order of monks.**
- 4- Joining another work which does not benefit from this system.**

b) Compensation is calculated at the rate of 144% of the income category on the basis of which contributions were calculated for each of the contribution years.

Additional benefits:

1. **Additional compensations:** They are calculated as those provided for under Social Insurance Law no 79, 1975. They are due in cases of the insured person's total invalidity or death as well as in cases of the pensioner's death and beneficiaries.

2. **Death grant:** It is calculated as provided for under Social Insurance Law no.79, 1975.

3. **Funeral grant:** They equal the pension of one month with L.E.20 as a minimum.

Management of the system:

This system is managed by the General Organization for Social insurance affiliated to the Ministry of Social Insurance.

2- Social Insurance System for Egyptian workers abroad

Historical background:

Egypt is one of the manpower exporting countries. Therefore besides the social insurance agreements it concluded with some states, the law no. 74 was issued in 1973 to the

effect of extending old age invalidity and death insurance to the Egyptians working abroad under individual labour contracts as from the 1st of September 1973. This was replaced by law no. 50, 1978 which cover all the Egyptians working abroad whether as employees or working for their own account. Therefore it was called the Social Insurance Law for the Egyptian Workers Abroad.

Scope of application:

This law applies to all Egyptian working abroad other than those subject to the provisions of the Social Insurance Laws nos. 79, 1975 and 108, 1976 since their ages range from 18 to 60 years.

Financing:

Costs of benefits are financed by monthly contributions to be paid by the insured persons at the rate of 22.5% of the income category they choose from among the 16 categories enlisted in a table annexed to the law and range from L.E.15 to 250 per month.

The insured person may request the amendment of the category he chooses to the next higher one (on condition that his age does not exceed 55 years on the 1st of January following the

amendment request) or to a lesser category and amendment is put into force as from the 1st of January following the request.

Contributions are paid in US dollars during the insured person's stay abroad.

Benefits:

The benefits of this law include old age, invalidity and death benefits on the basis of the contribution category or the average contribution categories.

(First period X contri-income + insurance period X contri.income + etc.)
Total period

The law paid great attention to full coordination between its benefits and those of law no. 79, 1975 taking into consideration:

a) Cases of entitlement to pension:

1. Reaching the age of 60 since the contribution period is 180 months even if the insured person continued to work.

2. End of work before the age of 60 since the period of contribution to insurance is 240 months at least. In this case pension is reduced according to rates similar to those provided for by law no.79, 1975.

3. The occurrence of total invalidity or death during the period of work or within one year after its termination since the insured person pays three consecutive monthly contributions.

b) How to calculate pension:

1. Old age pensions are calculated according to the same rules provided for by law no. 79, 1975. If the contribution period exceeds 36 years or the period required to receive the maximum pension whichever is bigger, the insured person or beneficiaries are entitled to a lump sum compensation of 108% of the average contribution incomes on the basis of which pension was calculated for each of the additional years of contribution.

2. Death or total invalidity pension is calculated at 65% of the average contribution income or according to what falls due of old age pension calculated on the basis of the period of contribution to insurance plus 5 years whichever is bigger.

If total invalidity or death are brought about by labour injury pension is due at 80% of the average contribution incomes. Here pension is increased by 5% every 5 years until the insured person reaches the age of 60.

Death pension is distributed to beneficiaries according to the rules into force of law no. 79, 1975.

c) Cases and calculation of the lump sum compensation:

1. The lump sum compensation falls due if the insured person's work comes to an end or if his insurance is suspended before reaching the age provided for without having the necessary conditions of entitlement to pension. Compensation is paid when the insured person reaches the age and also in cases of total invalidity or death after more than one year from the termination of his work.

2. Compensation is calculated at 144% of the contribution income or the average contribution incomes for each of the years of contribution.

Management of the system:

This system is managed by the General Organization for Social Insurance affiliated to the Ministry of Social Insurance.

The system has a private independent account. Its financial position is periodically studied every five years by an actuary or more to make sure of the adequacy of reserves and allocations required for covering the existing commitments.

Adaptation of pensions and prices:

To maintain the actual value of pensions article (8) of the social insurance law no. 79, 1975 and article (7) of the social insurance law for the Egyptian workers abroad no. 50, 1978 provided for increasing pensions in the light of the standard prices at a rate to be determined by a decree of the President of the Republic on a recommendation by the Minister of Social Insurance if the actuary examination of the financial situation shows a surplus of the money of the fund.

In addition to this, the decree no. (7) 1977, provided for a 10% increase of all pension due as from January 1977. Law no. 44, 1978 provided for another 15% increase of all pensions as from July 1978, in both cases the public treasury bears the costs of increase.

8/3
Old Age, Invalidity
and Death Insurance

- 8/3/1 Financing .**
- 8/3/2 Pensions and Compensations**
- 8/3/3 Rules for Computing Some
Contribution Periods**

8/3/1 Financing:

The Insurance Contributions:

Old age, invalidity and death insurance shall be financed through (Article17)

1- The portion payable by the employer at the rate of 15 percent of the monthly wages of the insured persons.

2- The portion payable by the insured person at the rate of 10 percent of his monthly wage.

3- The amounts which the public treasury is bound to pay at the rate of 1 (one) percent of the monthly wages of the insured persons. These amounts shall be paid to the concerned authority on the first of the month following the date they fall due.

4- The capital value of the dues paid by the fund on behalf of the other fund, or the public treasury.

5- The amounts due for payment, for the account of the contribution period in the social insurance or, the insurance and pension Law.

6- The amounts due for payment, for the account of previous service periods, prior to the contribution in the social insurance, or the insurance and pension schemes, and they include:

A) The amounts which the public treasury is bound to pay on service periods prior to the date

the insurance and pension schemes came into force.

B) End of service legal indemnities with regard to the insured persons who were subject to the Labour Law, and which shall be payable by the employer to the concerned authority, at the termination of the insured person's service, as follows:

1- The due indemnities for service periods prior to the contribution in the social insurance scheme, calculated in accordance with the second paragraph of the article (2), and (72) of the Law No. 91 year 1959 promulgating the labour Law.

2- The difference between the due indemnity, calculated in the manner indicated in the previous item and the proceeds of contributions paid by the employer to the concerned authority, if any, in respect of the period of contribution up to 13/12/1961.

The indemnity referred to shall be calculated on the basis of the last wage of the insured person at the termination of his service.

Concerning insured persons whose wages were transferred from daily to monthly payrolls as from 7/4/1959, it should be observed on calculating the indemnity for daily payroll service period that it shall be made on the basis of dividing the wage of the last month at the date of the end of service, on the number of days taken as a basis for transferring the daily pay to the monthly wage.

7- The amounts payable by the insured persons in return of contribution for the previous service periods, or their calculation.

8- Yield of investing the present insurance moneys.

9- The contribution to be deducted at the rate of 5% of the basic wage of the insured person.

8/3/2 Pensions and compensations:

Pensions:

First : Cases and Conditions:

A pension shall be due in the following cases (Article18):

1) Termination of the insured person's service for attaining the age of retirement as stipulated upon in the employment system by which he is treated, or for reaching 60 years old in respect of the insured persons working in private sector, if the period of contribution is 120 months at least.

2) Termination of the service of the insured person because of death, or total disability, or permanent partial disability, if it is evident that no other job is available for him with the employer, whatever his contribution period in the insurance be.

Evidence of the non-existence of another work for him shall be established by a decision of a committee to be formed by a decree of the minister of insurance in agreement with the concerned ministers. The committee shall include among its members a representative of the trade union, or of workers according to each case, as well as a representative of the social insurance organization. The decree shall determine the rules and procedures of the committee's works.

3) Death of the insured person, or his complete disability during one year from the termination date of his service, provided that he does not exceed the pensionable age, and not having been paid the cash lump-sum indemnity whatever his period of contribution to the insurance be.

4) Termination of service of the insured person for reasons other than the above cases if his contribution period in the insurance is 240 months at least.

5) Death of the insured person, of establishing his total invalidity after one year from the date his service was terminated, or his attaining the age of sixty after the termination of his service, once his period of contribution to the insurance is 120 months at least, and he had not been paid the cash lump-sum indemnity. The pension in such a case shall be settled on the

basis of the period of contribution to the insurance.

He is provided for entitling a pension in the two cases indicated in the previous items 2 and 3, that the subscribed period in insurance for the insured person shall not be less than three consecutive months, or six intermittent months, and this condition shall not be applicable concerning the following cases:

(A) The insured persons who are subject to employment statutes promulgated according to Law, or their wages, allowances, and promotions are determined according to collective agreements concluded pursuant to Labour Law, whenever the minister of insurances, approves such statutes, or agreements according to the proposal of the concerned authority.

(B) Shifting of the insured person from the governmental or public sector, to join work in private sector.

(C) In case the disability of the insured person is established, or the occurrence of his death as a result of work injury.

The pensionable age may be reduced in respect of insured workers employed in difficult or dangerous jobs which are determined by a decree of the president of the republic, at the proposal of the minister of insurance; and the decree should include the following:

A) Determination of the said age with respect to each of such works.

B) Raising the ratios on the basis of which the pension is calculated in proportion to compensate the insured person for the reduction of age.

C) Increasing the percentage of contributions to meet the burdens resulting from the privileges to be stated for the aforementioned workers, and determining the party that shall bear this increase.

Second: Calculations of Pensions:

1- The pension on the variable wage:

The pension on the variable wage shall become due regardless of the contribution period of the insured person for this wage, when one of the cases of the due pension on the basic wage becomes available (Article18 Bis):

2-Calculating the monthly average wages:(Article19)

The pension on basic wage, in cases other than disability, or decease, shall be settled on the basis of the monthly average wages of the insured person, on which basis subscriptions were paid during the last two years of his subscribed period in insurance, or during his subscription period in insurance if it is less than that.

In cases of applying for payment of pension on the referred-to, wage, for disability, or decease, the pension shall be settled on the

basis of the monthly average for the wages on which basis subscriptions were paid during the last year of the subscribed period, or the subscription period in insurance, if it is less than that.

The pension on the variable wage shall be settled on the basis of the monthly average of the wages on which basis the subscriptions were paid, during the subscribed period for such wage.

On calculating the monthly average, the following must be taken into account:

1- The month in which the service was ended, shall be considered a complete month.

2- If periods fall between the period of average pension computation on the basic wage, for which the insured person did not obtain his wage wholly or partially - the average shall be calculated on the basis of the total wage.

3- The average on which basis the variable wage pension is calculated, shall be increased at the rate of 2% on each full year of the years of actual subscription period for such wage; provided that the average after adding such increase, shall not be more than the maximum limit of the subscribed variable wage.

4- With respect to the insured persons whose subscription period in the insurance ended, and they were at such date among the personnel provided for in items (b and c) of

Article (2), it must be observed that the average basic wage on which basis the pension was assessed, shall not exceed 140% of the average wages for the five years preceding the average period; and if the preceding period is less than five years, it should be taken into account that the average on which basis the pension was assessed, shall not exceed the average of the previous years, to which 8% shall be added for each year; and the following shall be exempted from the provision of this item:

A- The insured persons, in bodies, subject to employment statutes issued according to Law; or their wages, allowances, and promotions are determined pursuant to collective agreements concluded pursuant to the labour Law, whenever the minister of insurance's approves such statutes or agreements, according to the proposal of the competent authority.

B- Cases of applying for payment, due to disability or decease.

3- The Calculating Rate for Every Contribution Year: (Article20)

The pension shall be assessed at the rate of one part of forty-five parts of the average wage for each year of contribution period to the insurance.

The pension shall be assessed with a maximum limit of 80% of the wage referred to in

the previous paragraph. The following cases shall be excepted from such limit:

1- Pension with a value less than fifty pounds monthly will have a maximum limit of 100% of the assessment wage, or fifty pounds monthly whichever is less.

2- Pensions for which the laws or decrees issued in execution thereof stipulate their settlement on the basis other than the wage provided for, their maximum limit shall be 100% of the last subscribed wage of the insured person, and the public treasury shall be charged with the difference between such limit and the previous maximum limits.

3- Pensions which are assessed in case of death or total disability after one year from the end of service date shall have a maximum limit of 100% of the last contribution wage of the insured person.

4- The contribution period: (Article21)

The contribution period of the insured person in insurance is:

1- The period which begins from the date of applying the provisions of Social Insurance Law, or the date of enforcing Insurance and Pensions Laws.

2- The periods added to the contribution period of the insured person at his request.

3- Periods of the official scientific missions which follow university or high studies which are allowed to be computed within the service period, or were taken into account in assessing the wage.

The fraction of a month shall be considered as a full month in calculating the total periods referred to, and the fraction of a year shall be considered as a full year in this total if this would result in regarding the insured person as becoming entitled to a pension.

5- Additional Contribution Period in Cases of Death or Disability: (Article22)

A suppositional period of 3 years shall be added to the period of contribution to the insurance, for the assessment of the death or disability pension, provided that such period does not exceed the remaining period for the insured person to attain the personable age. If the pension after adding this period is less than 50% of the wage on the basis of which the pension is assessed, the pension shall be raised to 50 percent.

In the said cases, the pension shall be increased by an amount equal to half of the difference between the pension and the maximum limit of 80%.

6- Decreasing the premature Pension: (Article23)

The pension payable on the basic wage, shall be decreased for the existence of the premature pension by a percentage to be vaulted according to the age of the insured person, on due date of payment, according the attached schedule No. (8).

Schedule No. (8) ⁽¹⁾ Pension Reduction Percentage

Age on pension payable Date	Pension Reduction Percentage
Less than 45 years	15%
45 years and Less than 50 years.	10%
50 years and Less than 55 years.	5%

The percentages referred to in this table may be cancelled or reduced in respect of workers engaged with difficult or dangerous works according to the rules contained in the decree referred to in paragraph (2) of item (1) of Article (18). ⁽²⁾

The pension due on variable wage, shall be decreased by a rate of 5% for each of the remaining years from the payment due date and up till the date the insured person reaches the age of sixty, taking into consideration that the

(1) This table is amended by the law No. 25 for 1977.

(2) Paragraph added by law No. 25 for 1977.

fractions of a year in this period shall be treated as a full year.

The pension shall not be deducted in case of applying for its payment due to decease or the establishment of complete disability, unless the insured person had been paid it before that.

7- Increasing the Old Age Minimum Pension: (Article24)

If the pension due for the end of service due to old age or disability or death (cases stipulated upon in items (1 and 2) of the article 18) is less than 50% of the wage on the basis of which the pension is assessed, the pension shall be raised to 50% of the wage if the insured person contribution period to insurance has completed at least 240 months.

The minimum limit of pension - due for the insured person, in cases of end of service due to old age or disability or death - shall be twenty pounds per month.

8- The Payment of Pension: (Article25)

The pension shall be due on the first of the month in which the reason for deserving arises; and the pension shall be due for fulfilling the conditions of the case provided for, in case of death or disability after one year of the end of

service from the first of the month in which the application order for payment is submitted. In case of not submitting payment order up till the insured person reaches the age of sixty, or the complete disability is established, or the occurrence of death, such pension shall be paid as of the first of the month in which one of the referred to, occurrences is established.

9- A Lump Sum For periods which exceeds that required for the Maximum Pension: (Article26)

If the contribution period to the insurance exceeds 36 years or the number of years required for entitlement to the maximum pension which the fund shall bear whichever is larger, the insured person shall be entitled to a lump sum indemnity at the rate of 15% of the annual wage for each of the years in excess.

The annual wage means the average monthly wage on which contribution was paid during the last two years multiplied by 12.

In calculating the period for which this indemnity is due, the following periods should be discarded from the contribution period:

1- The suppositional periods in case of death or disability.

2- The requested periods (calculated according to article 34 of the law).

3- The periods which laws and decrees provide for adding to contribution period, unless

laws provide for entitlement to such indemnity on these periods.

This amount shall be payable in case the insured person or the pensioner dies before it is paid.

The pensioners and beneficiaries may commute the whole or part of the indemnity for a pension to be calculated at the rate of $1/75$ for each of the years in excess which shall be added to the due pension, and is considered as a part thereof, provided that the total of the two pensions shall not exceed the 80% maximum limit.

Cases and conditions for entitlement lump sum compensations: (The lump sum indemnity instead of a pension): (Article 27, 28)

If the service period of the insured person is terminated without his fulfilling the requirements for entitlement to pension, he shall be entitled to the lump sum indemnity to be calculated at the rate of 15% of the annual wage for each year of contribution period to the insurance.

The annual wage means the average monthly wage in respect of which the contribution was paid during the last two years, or the contribution period if less than two years, multiplied by 12. In calculating this average, the

rules stipulated upon in case of calculating pensions should be observed.

This indemnity shall be payable in the following cases:-

- 1- If the insured person attains the age of 60.
- 2- In case the foreigner leaves the country finally, or is permanently engaged in work abroad, or joins the diplomatic mission at the embassy, or consulate of his own country.
- 3- In case of emigration of the insured person.
- 4- In case a final court judgment is issued sentencing the insured person to imprisonment of ten years or more, or for the period remaining for him to attain the age of 60, whichever is less.
- 5- If during his imprisonment, the insured person sustains a permanent partial disability preventing his from work.
- 6- Termination of service of the insured persons stipulated upon in item (A) of Article (2) for abolishing the post, or dismissal as per a republican decree.
- 7- If the insured person joins claustral life.
- 8- If the insured person joins work with one of the quarters excepted from applying the provisions of this Law, according to the conditions and rules issued by a decree of the minister of insurance.
- 9- In case of total disability of the insured person.
- 10- Death of the insured person. In this case, the full due amounts shall be paid to the legally entitled beneficiaries for pension, to be distributed

among them according to the proportions of their shares in the pension. If there is only one beneficiary, he will be paid such amounts complete. If there is not a person entitled to the pension, these amounts shall be paid to the legitimate heirs.

In old age, disability and death cases the amount of indemnity shall be paid in addition to an amount of 6% thereof for the number of complete years from the date of termination of the service until the date when payment becomes due.

11- If the insured woman is married, or divorced, or a widow, or is 51 years of age, or over, at the date of the application for payment is made, the indemnity shall not be paid in these cases except once during the whole periods of contribution to the insurance by the insured woman.

In case of the citizen emigration or the foreigner leaving the country, the insured person has the choice to obtain a lump sum indemnity, or a pension, if his contribution period to the insurance gives him the right to obtain the pension.

In the cases referred to in the previous paragraph, the pensioner is allowed to abdicate his right in pension, and to be paid a lump sum indemnity provided to deduct from him the amount of the pension paid to him, and he is not allowed to do so except for one time.

If the emigrant returns to stay finally in the country, and joins a job which is subject to the

provisions of this Law, within two years from the date of emigration, he shall be bound to refund the lump sum indemnity which was paid to him according to the above provisions premiums either altogether within one year from the date of his return, or by premiums according to the law and the period for which he had been paid a lump sum indemnity shall be calculated within his contribution period.

End of service indemnities: (Article30)

The insured person shall be entitled to compensation, whenever one of the cases of pension deserving, or lump sum disbursement exists.

The compensation shall be calculated at the rate of one-month wage for each of the years of subscribed period in the compensation system; and the wage for calculating the compensation shall be estimated by the wage of computing the pension on the basic wage.

The minimum limit of compensation shall be ten months' wage calculated according to the previous paragraph, in the following cases:-

1- Termination of the insured person service due to total disability, or death, whenever the conditions are fulfilled.

2- Expiry of the insured person's benefit from the compensation system, for reaching the personable age. If such age was less than sixty,

the public treasury should be charged by the difference between such limit, and the entitled compensation on the actual period; and this provision shall be applicable with respect to article one of the law.

The insured person shall not benefit from the minimum limit of compensation except once, during his subscription periods in the insurance.

With respect to the periods calculated in the compensation system, the following should be observed:-

1- Compensation shall be calculated for this period, and added to the referred to minimum limit.

2- The due compensation for such period, shall be estimated according to the schedule No.(4)(attached to the law), and on the basis of the insured person's age at the due date of payment, and the referred to wage for calculating the compensation, in cases of deserving payment other than reaching the pensionable age of the second paragraph, or death.

Special rules to calculate the ministries pension:

The pension of an insured person who fill the post of a minister or deputy minister shall be assessed on the basis of the last wage he

received according to the following : (Article 31)

First: A minister shall be entitled to a pension of 150 pounds per month, and a deputy minister to a pension of 120 pounds per month in the following cases:

1- If his period of contribution at the termination of his service as minister or deputy minister is twenty years, and he had spend at least one continuous year in either post or both posts.

2- If his period of contribution at the termination of his service as minister or deputy minister is ten years; and he had spent at least two continuous years in either post or both posts.

3- If his period of contribution at the termination of his service as minister or deputy minister, is five years; and he had spent at least four continuous years in either post or both posts.

If he had not fulfilled the said contribution periods, and had spent in either posts a period of three continuous years, he shall be entitled two- thirds of the said pension.

In calculating the periods stipulated upon in this item, the fractions of a month should be reckoned as a complete month.

Second: The pension shall be assessed for him on his contribution period to the insurance which exceeds the periods stipulated upon in item (first), and to be added to the due pension pursuant to the said item, provided the total of the two pensions shall not exceed the last contribution wage.

Third: If the service period he has spent in both posts, or in either post, does not reach the extent referred to in the item (first), he shall be entitled a pension to be calculated according to the contribution period in insurance on the basis of the last wage he received. If the pension thus assessed is less than 25 pounds per month, he will have the choice of either receiving a pension or a lump sum indemnity.

The public treasury shall bear the difference between the pension calculated according to the provisions of this article and the pension calculated pursuant to the other provisions.

Pensions due according to the above provision shall be paid without reduction; and the lump sum indemnity shall be payable upon the termination of service, in case of his choice.

8/3/3 Rules for computing some contribution periods:

First : The following contribution periods shall be calculated at the rate of 1/75 in case a pension is due, and at the rate of 9% in case of a lump sum compensation is due, if the insured person has not contributed for them: (Article32)

1- The period prior to the date of benefitting from the Laws of Insurance and Pensions, or Social Insurance, which such laws provide for counting within contribution period to insurance.

2- Periods spent in a permanent or temporary post, or in post on a personal grade, or on a daily payroll, or in a post on basis of compensation payment or for which a fixed remuneration is paid, or outside the authority, or remuneration from the "Third Allocations" chapter included in the general budget of the state, or in the budgets that were appended to it, or in a post at the university or AL-Azhar university, or religious institutes, or in ministry of wakfs, municipality councils, provincial councils, or public transport department for Alexandria zone, in respect of the following insured persons:-

a) Insured persons whose service periods in such posts were terminated before benefiting by insurance and pensions Law No. 394 for the year 1956 establishing an insurance and pensions fund for the state civil personnel, and other fund for personnel of organizations having independent budgets, or by the Law No. 36 for the year 1960, promulgating the Insurance and Pensions Law for the State Civil Personnel, or by the Law No.37 for 1960 promulgating the Insurance and Pensions Law for the State Civil Personnel and Workers according to each case. If the insured person has received a compensation for that period, he should repay it in a cash lump sum in addition to an extra amount at the rate of 4.5% annually from the date of payment till the date it is refunded.

The public treasury shall meet the amount of entitlements resulting from the computation of this period .

b) Insured persons whose service period was terminated in these posts under the Laws referred to in item (A), and to whom their insurance and pension contribution were refunded.

For the calculation of these periods, it is stipulated that the insured person should have been reinstated to service in the administrative system of the state, or public authorities, or general organizations, or economic units of the public sector, or health organizations, and that the insured person should submit an application for its computation.

3- Periods of secondment abroad, and exceptional leaves, and unpaid study leaves which were spent before the present Law came into force, in respect of those who were treated under the Insurance and Pension Law referred to in article (2) of the promulgating Law.

4- Periods spent by the insured foreigner in one of the posts which were subject to the Insurance and Pensions Laws stipulated upon in article (2) of the promulgating Law, and during which he was not treated under these Laws.

Second: Conditions and Costs of Adding Contribution Period:

The insured person is allowed to apply for calculating any of the subscribed periods,

calculated at the rate of 1/75, to be calculated at the rate of 1/45, in return of paying an amount to be estimated according to the attached schedule No. (4). (Article33)

Table No. (4) (1)
Determining the Due Amounts for the Calculation
Of the Previous Period into the Period of Contribution

A G E	Amount Corresponding To Each Year of the Service Calculation, and to Each Pound of The Monthly Wage	
	L. E.	
until the age of	(POUND)	MILLIEMES
40	1	800
41	1	830
42	1	860
43	1	900
44	1	930
45	1	960
46	2	-
47	2	050
48	2	100
49	2	150
50	2	200
51	2	260
52	2	330
53	2	400
54	2	500
55	2	600
56	2	700
57	2	800
58	2	900
59 and over	3	-

(1) Table No. (4) is amended by the law No. (47) for 1984.

NOTES:

Remark (1) : In calculating the age, the fractions of the year shall be regarded as one complete year.

Remark (2) : The amounts for the computation of a period within the subscription period in compensation system, shall be estimated at the rate of the 30% of the coefficient stated in this schedule, and on the basis of the wage and age and at the date of applying for the computation.

Remark (3) : The amounts required for the computation of a period within the subscribed period, in basic wage, shall be estimated on the basis of age and wage at the date of applying for the computation " .

Remark (4) : The amounts required for the computation of a period within the subscribed period in the variable wage, shall be estimated on the basis of age at the date of submitting the application, and the monthly average of the wages on which basis the subscriptions were paid, during the period up till the end of the month preceding the date of applying for computation.

Remark (5) : The amounts required pursuant to Article (33) are estimated at the rate of 40% of the coefficient stated at this schedule, and on the basis of age and wage, at the date of submitting subscription application.

Remarks 2, 3 and 4 are amended as per law No. 107/ 1987.

Remarks No, 5 is added as per law No. 107 / 1987.

Key Points

1- The insured person is allowed to add any number of complete years which he spent in any work or activity after having attained the age of 20 years, to be included in his contribution period to the insurance against payment of an amount to be calculated in conformity with table No. (4).

2- For the periods required to be included in the contribution period in respect of the variable wage, it is provided that the total contribution periods for this wage should not exceed the contribution period for the basic wage.

The insured person may further request to include any number of years in his contribution period to the condensation scheme against payment of an amount to be calculated according to table No. (4). (Article 34)

Third: If the pensioner returns to a job which makes him subject to the provisions of this insurance, or to one of the bodies which deserted the range of applying this law, for the existence of a substitute system determined pursuant to a law, his pension shall be suspended as from the start of the following month, and up till the termination of

his service in the referred to bodies; or for reaching the pensionable age.

If the wage on which the pension is settled, or the total of what he was paid of wage at the end of his service period - whichever is bigger - is exceeding his due wage on the job to which he has returned, he shall be paid of the pension, the difference between them, provided that the part to be paid of the pension shall be deducted by the amount of what he receives of increases in his wage.

In case of the existence of one of the deserving cases on the last period, shall be settled pursuant to the following :- (Article 40)

1- If the reason for deserving on this period was other than disability, or decease, a pension shall be calculated for it, whatever was its amount, and to be added to the previous pension.

2- If the reason of deserving on this period was disability or decease, the pension shall be settled by one of the following two ways whichever is better for him:-

(a) The pension shall be settled on the two service periods, considering them one unit, and on the basis of the two wages average for pension settlement on each period, or pension settlement wage for the last period, whichever is better for him.

(b) The pension regarding the last period shall be calculated pursuant to pension computation

rules of service termination for reaching the age of retirement, and to be added to the first pension.

In all cases of settlement for the two periods of service, considering them one unit, the provisions of pension maximum limit for each of the basic and variable wage shall be observed; and in cases of settlement for the last period, and its addition to the pension of the first period pension, it shall be observed that the total of the two pensions on the basic wage, is not exceeding the maximum limit provided for in the last paragraph of article (20), and that the total of the two pensions on the variable wage shall not exceed 80% of the two wages average for pension settlement.

If the due pension on the first period service is assessed pursuant to one of the laws provided for in article four of the promulgating law, the pension shall be settled pursuant to the foregoing; or a pension on the new service period shall be settled for him pursuant to pension settlement rules for reaching age of retirement. it shall be added to the first pension, and a pension with the total of both shall be assessed for the insured person, taking into account that the total of the basic and variable wage pension shall not exceed 80% of the total maximum limit of the basic and variable subscription wage, pursuant to this law.

The provisions of this insurance shall not be applicable with respect to the insured person, if his age exceeded sixty, except for the one whose service is extended by a decree from the concerned authority, from the insured person referred to in item (a) of article (2) ; and also the cases provided for in article (31), (163) and (164). In this case the pension shall be paid as from the first of the month in which the service will terminate, except the cases of article (163) where the pension shall be paid as from the first of the month in which the period necessitating pension deserving shall be completed.

**Fourth : The insured person has to pay the amounts required from him for the account of the previous period, or for the subscription of a period pursuant to one of the following ways:-
(Article 41)**

1- One disbursement during one year of the date of requesting the account, or subscription, without exceeding the date of service termination.

2- Monthly premiums up to the date of reaching the age of 60 according to the following schedule (schedule No. 6).

Table NO. (6)
Fixing The Monthly Installments To Be Deducted
From The Wage in case the Insured Person OPTS
for Payments in Installments of the Amounts Due by Him
(amended by the law No. (47) for 1984)

Age at the beginning of payment	Aggregate installments ought to be paid in case of settlement up to the date of Reaching the age of sixty years in return of L.E.100 of the Amount due	
	L.E (pound)	Milliemes
20	274	100
21	269	500
22	264	900
23	260	300
24	255	700
25	251	100
26	246	600
27	242	-
28	237	400
29	232	900
30	228	300
31	223	700
32	219	200
33	214	700
34	210	200
35	205	080
36	201	400
37	197	-
38	192	600
39	188	300
40	184	100
41	179	900
42	175	700
43	171	600
44	167	500
45	163	400
46	159	300
47	155	300
48	151	300
49	147	400

Age at the beginning of payment	Aggregate installments ought to be paid in case of settlement up to the date of Reaching the age of sixty years in return of L.E.100 of the Amount due	
50	L.E	
51	(pound)	Milliemes
52	143	500
53	139	500
54	135	400
55	131	300
56	127	100
57	122	800
58	118	400
59	113	900
60	109	300
	104	600
	100	-

Remarks :

A. In the assessment of the age, the fractions of the year shall be regarded as one complete year.

B. In calculating the monthly installment, the aggregate installments ought to be paid, shall be divided by the number of full months between the date on which payment has started and date of reaching the age of sixty years.

C. The amount of monthly installment resulting from the application of this table shall be rounded to the nearest piaster.

3- Monthly premiums for 5 or 10 or 15 years according to schedule No. 7 whenever the age of the insured person exceeded fifty years on 1/4/1984, and the period required for computation, in addition to his subscription period in insurance entitles him for a pension.

In case of paying the required amounts pursuant to items (2) and (3), the insured person shall not be considered a subscriber unless the first premium is paid to the competent authority before the date of service termination.

An exception of the provision of the last paragraph, the insured person is allowed - after his service termination, even if he exceeded the sixty years - to express his desire to compute a period preceding his last subscription period, and with the observance of article (34) within the limits of the required period for deserving a pension. The amount due on it shall be paid in one disbursement, and he shall be entitled to a pension as of the first day of the month preceding payments of such amounts.

In case of the death of the insured person, after expressing the desire to subscribe for a period, or to compute a period, and before payment of the amounts requested from him in one disbursement, or before the first premium of them falls due, his beneficiaries are allowed to pay the due amounts in one disbursement, in cash, during a year starting from the date of death.

Subscription for any period, or the computation of any period, shall not result in the deserving of the insured person for a pension thereof, except after the expiry of the period during which the application for subscription or computation is submitted.

It shall not be permissible for any reason, to recant the application for computing periods or subscribing for them.

An exception of the provision of the previous paragraph, the insured person, or the pensioner is allowed to retract the application of periods computation or subscription for them, in case of the issuance of laws or final judgments for adding periods to the subscribed period of the insured person. The retraction application must be submitted during three years from the date of applying such laws, or the issuance of such judgments. In case of the occurrence of death of the insured person or pensioner during the referred to period, before applying for retraction, this right shall be for his beneficiaries.

In case of retraction, the amounts previously paid shall be refunded to the concerned person; and the bodies which are held responsible for paying the cost of the added periods shall be charged with what the computing authority carried out of obligations in return of computing the period, or subscribing for it.

In cases of dismissal by disciplinary way, if the dismissal is abolished or withdrawn in respect of the insured person working in

governmental or public sector, the following will be adopted:- (Article 42)

1- For those to whom a lump sum indemnity has been paid, the period for which the indemnity was paid, and the period of dismissal shall be completed as a part of the contribution period to the insurance; and the insured person shall be bound to refund the indemnity amount.

2- A pensioner shall have the choice of either refunding the pension amounts already paid to him, in order to compute the period of dismissal with his period of contribution to the insurance, or not to refund the pension amounts against non-computation of dismissal period.

3- The employer shall be bound by the contributions due for the period of dismissal, in case such period is computed within the period of contribution to the insurance scheme.

The Foregoing provisions shall apply in respect of the insured persons stipulated upon in paragraph (B) of article (2), if it is established that the dismissal was arbitrary, and the insured person is reinstated to work by a court ruling.

If the insured person working in governmental or public sector is dismissed through non-disciplinary channel, then he was reinstated to work by court ruling, or by virtue of law, or due to withdrawing his dismissal

decision, the following shall be applied in his respect: (Article43)

1- The period during which he was not subject to the social insurance scheme shall be included in computing contribution period to the insurance; and the public treasury will bear the contributions due for such a period.

2- With respect to those who already received lump sum indemnity, they will have the choice either to refund the indemnity, and to compute the previous period or not to refund the indemnity, in which case the said period shall not be computed.

3- Regarding the pensioner, the public treasury will pay to the fund the value of pensions already paid.

It is not allowed to deprive an insured person or a pensioner of his pension, or lump sum indemnity whether partially or wholly, for any reason whatsoever. (Article44)

In case of any employer who refrains from carrying out the decision of the committee, he shall be bound to pay the due wage up to the date the insured person joins another job. For the insured person to benefit by these provisions, the insured person's right for wage shall be forfeited if he refuses to join a suitable job.

The decision issued by the concerned authority in respect of the entitlement of the insured person to a wage shall, in this case, be similar to a law enforcement document. **(Article45)**

Key Points

A- Cases and Conditions of entitlement to Pension:

1- End of the insured person's service period for reaching the pensionable age and a contribution period more than 9 years.

The pensionable age means the age of retirement provided for the employment regulation (60 years in general), or the age of sixty for the insured persons subject to the labour code (private sector workers).

This age can be reduced for workers performing difficult or perilous jobs specified by a decree of the President of the Republic according to a recommendation by Minister of Insurance.

2- End of the insured person's service because of death, total invalidity or permanent partial disability since it is certified that he has no other job with the same employer.

For those who are not covered by employment laws or regulations or collective agreements, the insured person should have a contribution period not less than 3 consecutive months or 6 intermittent months.

Total invalidity is any disability that totally and permanently deprives an insured person of performing a job or earning a living.

This comprises total blindness, loss of both arms, loss of both legs, loss of one arm, loss of one leg, mental diseases and chronic diseases.

3- The insured person's death or total disability during one year after the end of his service and before reaching the pensionable age and getting the lump sum compensation.

For those who are not covered by employment or collective agreements, the insured person should have an insurance contribution period not less than 3 consecutive months or 6 intermittent months.

4- Reaching pensionable age or total invalidity or death after one year of the end of service before reaching the pensionable age and getting the lump sum compensation since the insured contribution period exceeds 9 years.

5- End of insured person's service for reasons other than those cited above since his contribution to insurance exceeds 19 years.

In this case pension is reduced by certain percentages according to age at the date of entitlement to pension.

Remarks:

1- The pensioner or the one entitled to pension may ask for lump sum compensation instead of pension in cases of migration and departure.

2- Beneficiaries of death pension are:

- The widow and the husband unable to earn a living.
- The divorcee whose marriage lasted for twenty months at least and has no income whatsoever.
- The sons up to 21 years old those unable to earn a living and students are excluded until 26.
- The unmarried daughters.
- The mother, even married to a person other than the father of the dead person.
- The father.
- The brothers and sisters qualified for pension and supported by the dead person.

B- How to calculate old age pension, minimum and maximum:

Each of the years of contribution to insurance is calculated at 1/45 of the average monthly wage during the last two years, with a relative maximum that amounts to 80% of the said average (increased to 100% if pension does not exceed L.E.30 monthly).

It is worth mentioning that if the period of contribution to insurance exceeds the required period of qualifying for the maximum pension, the insured person is entitled to a lump sum compensation that equals 15% of the average monthly wage multiplied by 12 for each of the additional years.

On the other hand, in calculating pensions, the increase in contribution periods in the remote and desert governorates (Sinai for example) are calculated at one quarter for government and public sector workers.

C- How to calculate permanent invalidity or death pensions:

The permanent invalidity or death pensions are calculated at 1/45 of the average monthly wage during the last year for each of the years of contribution to insurance to which three years are added or 50% of the said average monthly wage. To the resulting percentage half of the difference between it and percentage of the maximum old age pension equaling 80% is added.

D- Cases of entitlement to the lump sum compensation:

If the insured person's service comes to an end without being qualified for pension, he is entitled to a lump sum compensation in the following cases:

- 1- Reaching the age of sixty.**
- 2- The foreigner's final departure from the country, his having a permanent job abroad or joining the diplomatic corps in his State's embassy or Consulate in Egypt.**
- 3- The migration of the Egyptian.**

4- The insured person's imprisonment for ten years or more or a 1 period equivalent to that before reaching the age of sixty whichever is lesser.

5- If the insured person, during the period of imprisonment, gets an incapacitating permanent partial disability.

6- The insured person's dismissal by a decree of the President of the Republic.

7- The insured person's entering monastic life.

8-The insured person's work in any establishment excluded from the provisions of the law.

9- Total disability.

10- Death.

11- The insured female's marriage or divorce or widow hood or reaching the age of 51 at the date of entitlement.

E- How to calculate the Lump Sum Compensation:

The lump sum compensation is calculated at 15% of the average monthly wage during the last two years multiplied by 12 for each of the years of contribution to insurance.

It is worth mentioning that the insured person or the beneficiaries can choose either getting the compensation in cases (1, 9, 10) to which an investment return of 4.5% is added for the whole years from the date of the end of service until that of entitlement or computing a pension calculated according to a table annexed

to the law with the exclusion of this pension from the provisions of the minimum pensions.

F- Additional benefits in cases of death and permanent invalidity:

1- Additional compensations: The compensation is calculated by percentages of the last annual wage in antithetical proportion with the age of the insured person from the date of the termination of service and increases to a half if death or permanent invalidity occurs as a result of labour injury.

The amount of the additional compensation is paid in the following cases:

- The termination of the insured person's service in view of total or partial invalidity since this is conducive to entitlement to pension.

- The termination of the insured person's service in view of death (here the rate of compensation is doubled in the absence of beneficiaries).

- The death of the pensioner in the absence of beneficiaries.

- Total invalidity or death as a result of a labour injury after the end of service.

2- Death grant: On the death of the insured person or the pensioner, a grant that equals three folds of the wage or the pension of the month of death is paid.

3- Funeral grant: It equals the pension of one month with L.E.30 as a minimum.

8/4
BENEFICIARIES
And Entitlements Conditions

- 8/4/1 Determining the Beneficiaries**
- 8/4/2 General Rules**
- 8/4/3 Distribution of Death Pension**

8/4/1 Determining the Beneficiaries:

If an insured person or a pensioner dies, his beneficiaries shall have the right to receive a pension, according to the shares and provisions as laid down in Schedule (3) attached, as of the first of the month in which the death occurs.

Beneficiaries entitled to pension are: the divorcee, the husband, the sons, and daughters, the parents, the brothers and sisters, who at the death of the insured or the pensioner shall fulfill the requirements of entitlement as stipulated upon in the following items: (Article 104)

First: The Widow or the Divorce and the Disabled Husband:

A- For the entitlement of the widow or divorcee, it is a condition that the marriage should be notarized or established under a final court judgment, delivered in a case brought during the survival of the husband, and the Minister of Insurance shall under decree issued by him determine other documents in proof marriage, in some of the cases in which it is difficult to prove it through the foregoing means. (Article 105)

It is also a pre-condition, for the widow that the marriage or the authentication of marriage shall have taken place before the insured person

or the pensioner attains the age of sixty. Shall be excepted there from the following cases:-

1- The case of the widow whom the insured person or the pensioner has divorced before he attained the age of sixty, then married her after that age.

2- A marriage case in which the age of the wife is 40 at least at the time of marriage, provided the insured person or pensioner should have no other wife, or divorcee qualified for a pension, and whom he had divorced despite her wish after he attained the age of sixty, and who is still alive.

3- Marriage cases which took place before the present law comes into force - It is conditioned for the divorcee that:-

- 1) She should have been divorced despite her wish.
- 2) Her marriage to the insured person or the pensioner should have continued for a period of not less than 20 years.
- 3) She should not have got married to another husband.
- 4) She should not be receiving any kind of income equivalent to or exceeding the amount of her pension entitlement.

If the income is less than her pension entitlement, a pension shall be assessed to her equivalent to the difference between the pension, and her income.

However, if the amount of each of the income and the pension is less than L.E 30 the pension shall be assessed to her not exceeding the amount of the income and the pension

together. In all cases, the rest will devolve to the widow if she is alive, and if not, the rest shall devolve to the children.

B- It is conditioned, for the husband to be entitled to a pension that :(Article 106)

- 1) The marriage contract should be authenticated.
- 2) He should be disabled from earning his living according to the information submitted in the application for pension payment, provided this will be supported by a decision of the Health Insurance General Authority.
- 3) The marriage contract should have been concluded before the insured wife or the pensioner- wife attained the age of sixty.

Second: Sons and Daughters:

1- It is conditioned for the sons to be entitled to pension, that the son should be under 21 years of age.

The following cases shall be excepted from this condition:-(Article 107)

- 1- A son disabled from earning.
- 2- A student in an educational stage not beyond that of a bachelor, and licentiate academic degree, or an equivalent degree, provided he is still under the age of 26, and full- time student.
- 3- That who obtained a final qualification not beyond the stage referred to in the previous item, and without having yet joined a job, or engaged in a profession, provided he is still under the age of 26 with regard to holders of the bachelor and

licentiate academic degrees, and under the age of 24 with respect to holders of lower qualifications.

2- It is conditioned for the daughter to be entitled to a pension that she should not be married.(Article 108)

Third: Brothers and Sisters:

For the brothers and sisters to be entitled to pension, it is provided that- besides the conditions for sons and daughters to be qualified for pensions- the legator's support of such brothers and sisters should be established by an administrative certificate. (Article 109)

8/4/2 General Rules:

1- Should one of the beneficiaries fulfill the requirements of his entitlement to more than one pension from the fund, or from the two funds, or from one or both of them, as well as from the public treasury, such beneficiary shall not be entitled except to one pension, and the priority of this entitlement shall be in accordance with the following order: (Article 110)

- 1) The pension due for himself.
- 2)The pension due in respect of the husband or the wife
- 3) The pension due in respect of the parents.
- 4) The pension due in respect of the children.
- 5) The pension due in respect of brothers and sisters.

Should the pensions due in respect of the insured persons, pensioners be of one category, the pension falling due is that which was first entitled.

If the pension due in accordance with the foregoing be less than the other pension, the difference shall be paid to him out of the latter pension.

2- The beneficiary's pension shall be suspended in the following cases:- (Article 111)

1) Entering any employment yielding a net income equal to, or exceeding the amount of pension. If such income is less than the amount of the pension due, the difference shall be paid to him. A net income shall mean the total income obtained by the worker, less his share in the social insurance contributions and taxes at the date of his joining the work, then in January every year.

2) Practicing a commercial or non- commercial profession regulated by laws or regulations, for a period exceeding five consecutive years. His right to the payment of pension shall be restored in case of cessation to practice this profession, as of the first of the month following the date he ceases to practice such a profession.

3- The way of exception to the provision banning the combination of the jobs, as prescribed in Articles (110 and 111), the beneficiary shall combine his income from job

or profession and pensions, within the following limits:-(Article 112)

1) The beneficiary shall combine the income and pension within the limits of fifty pounds per month, without prejudice to the right to combine the pension and the income to the extent exceeding the said limit in respect of the cases of entitlement prior to 1.9.1975, provided the beneficiary was entitled to such right.

2) The beneficiary shall combine pensions within the limits of fifty pounds per month, and the pension shall be completed to this amount in the order referred to in Article (110).

3) Sons shall combine the two pensions to which they are entitled from their parents, without limits.

4) A widow shall combine the pension she is entitled to from her husband and her own pension in her quality as benefiting by the provisions of the present law. She shall also combine her pension from her husband with her income from her job or occupation, without limits.

5) With due regard to the provisions of Article (71), a beneficiary shall combine the pensions accruing to him from one person, without limits.

4- The pension of beneficiary shall be discontinued in the following cases: (Article 113)

1) The decease of the beneficiary.

2) The marriage of a widow, divorcee, daughter or sister. The daughter or sister shall in this case be given a grant equivalent to the pension due for her, for a period of one year with a minimum of fifty pounds, and this grant shall be paid only one time.

3) The attainment by the son or the brother, of the age of 21. The following cases shall be excepted:-

a- The disabled person, until the condition of disablement no longer exists.

b- The student, until he joins a work, or is engaged in a profession or at the date of his attaining the age of 26 whichever is earlier. The payment of pension for the student who attains the age of 26 shall continue during the academic year, until the end of that year.

c- The holder of a final qualification degree until he joins a job or his performing a profession, or at the date of his attaining the age of 26, with regard to those holding bachelor or licentiate academic degree, and the age of 24 for holders of lower final qualifications whichever of the two dates is earlier.

4) The fulfillment of the conditions of entitlement to another pension, with paying due regard to the provisions of the two articles (110) and (112).

5- If the daughter or the sister is divorced or becomes a widow, or the son, or the brother is disabled from earning his living after the death of the insured person or the pensioner, each of them shall be granted the pension to which he or she is entitled, assuming their entitlement to the pension as at the date of the legator's death, without prejudice to the rights of the rest of beneficiaries. (Article 114)

A widow entitlement for pension shall be restored to her if she is divorced or becomes a widow without being entitled for a pension from her last husband.

If the pension for which the entitlement shall be restored, has been devolved partly or wholly to the rest of beneficiaries, their pension shall be reduced by the value devolved to each of them of such pension.

The son or the brother who was not qualified for a pension at the date of the legator's death, and who joined an educational stage not beyond that of obtaining the bachelor or licentiate academic degree, and was under the age of 26, shall be granted what he was entitled of a pension, assuming its being due at the said date . The pension of the rest of the beneficiaries shall be reassessed on that basis.

After his pension is stopped, it shall devolve to those whose shares have been reduced with the value of such pension.

Each of the sons, daughters, parents, sisters and brothers who were deprived of pensions under the Insurance and Pensions Law, or Social Insurance Law, shall be paid what they were entitled of pension, assuming they were entitled to it at the date of the legator's decease, without prejudice to the rights of the rest of beneficiaries, if they fulfill in respect thereof the conditions of pension entitlement stipulated upon in the present law .

6- In case the pension of the beneficiary is suspended or discontinued, the pension for the month during which the case for stopping or discontinuing the pension took place shall be paid on the basis of a full month. (Article 115)

In case the pension of some beneficiaries devolve to other beneficiaries, the pension shall be reassessed as of the first of the month following the date such entitlement falls due.

If the beneficiary died before payment of the pension for the month during which he died, his pension shall be stopped as of the first of the month during which the decease takes place, and in this case pension is devolved, and such devolution shall take place as of that date.

As an exception of the first paragraph of this Article, a pension shall continue to be paid, in cases of the beneficiary's disability, for the month determined for his medical examination, also for the month following it.

7- If the pension, the son or the brother is entitled to, has not devolved to the rest of beneficiaries after it was stopped, it shall then be repaid to him in case his wage is stopped during his compulsory military service, so long as he has not attained the age of 26. (Article 116)

8/4/3 Distribution of Death Pension:

Distribution of Pension to Beneficiaries in case of Death Schedule No.(3)

Case NO	Beneficiary of Pension	Due shares in pension			
		Widow Or Husband	Children	Parents	Brothers and Sisters
1-	Widow, or widows or husband one or more children	1/2 (to be distributed equally if more than one)	1/2(to be distributed equally if more than one)	—	—
2-	Widow, or widows or husband and one or two Parents	2/3	—	1/3 for either or both, to distributed equally	—
3-	Widow, or widows or husband and one sister or brother or more	3/4	—	—	1/4 to any or all of them to be distributed equally
4-	Widow, or widows Or husband only	3/4 (to be distributed equally if ore than one)	—	—	—
5-	Widow, or widows or husband and one or more children and one or two parents	1/3	1/2	1/6 for either or both, to be distributed equally	—
6-	One child	—	2/3 the whole pension, to be distributed equally	—	—
7-	More than one child	—	—	—	—
8-	One child, and one or two parents	—	2/3	1/3for either or both, equally	—
9-	More than one child, And one or two parents	—	5/6	1/6 for either or both, equally	—

Case NO	Beneficiary of Pension	Due shares in pension			
		Widow Or Husband	Children	Parents	Brothers and Sisters
10-	One or two parents	—	—	1/2 for either or both equally	—
11-	One brother or one sister, or more	— —	—	—	1/2 to either or to all of them and to be distributed equally among them
12-	One or two parents and one brother, or one sister or more.	—	—	1/2 for either, or both of them equally	1/4 to either or to all of them equally

Notes on Schedule No. (3):

1. The divorcee and the entitled husband should be regarded as being equal to the widow.

2. In the event of the pension of one of the beneficiaries being suspended or severed in whole or in part, it devolves to the remaining beneficiaries who are of the category of this beneficiary. In the absence of other beneficiaries of this category, the pension devolves to the remaining beneficiaries of the other categories.

In the absence of other beneficiaries of this category, the pension devolves to the remaining beneficiaries of the other categories. if the share of the beneficiary, to whom the pension devolved, exceeds his maximum share as shown in the table

according to the condition at the date of devolution, the remainder should be delivered over the following category, and in all this, the order indicated in the table below should be taken into consideration:

Category of the beneficiary whose pension is suspended or severed.	category of the beneficiary to whom the pension is devolved over.
The widow.	1 . The children 2 . The parents. 3 . The brothers and sisters.
The children	1 . The widow. 2 . The parents.
The parents	1 . The widow 2 . The children. 3 . The brother and sisters.

Before giving effect to the rule of devolution of the pension, or devolving it over, it should be taken into consideration to deduct the pension which may have fallen due without touching the pensions of the remaining beneficiaries.

3. In the event of the reasons of suspending the pension of the beneficiaries in whole or in part being eliminated, the pension should be re-distributed among all the beneficiaries at the date of the reason being eliminated.

4. The share of the beneficiary, to whom a part of the pension is devolved over

should be fixed to the extent of not exceeding the maximum limit fixed in the table, according to the condition

5. The pension granted in excess of the pension of the deceased person should not be devolved over in the event of its being suspended or severed.

6. In case of distributing the pension between the widow category and the parents category:

- In case of suspending the pension of parents, the remaining of their share after refunding to the category of widows, shall devolve to the sisters and brothers in whose respect the conditions of deserving pension are fulfilled at that date, within the limit of one quarter.

- In case of suspending the pension of widows' category, one quarter of the inherited pension shall revert to the brothers and sisters in whose concern, pension deserving conditions, fulfilled, at this date.

8/5 ADDITIONAL BENEFITS

- 8/5/1 Additional Compensation**
- 8/5/2 Death Allowance**
- 8/5/3 Funeral Expenses**
- 8/5/4 Loans**
- 8/5/5 Missing Persons Benefits**
- 8/5/6 Social Care Insurance for Pensioners**

8/5/1 Additional Compensation:

Cases and conditions of entitlement:

The additional lump sum indemnity shall be due in the following cases: (Article 117)

a) Termination of service of the insured person for total or partial disability, when this leads to his entitlement to pension.

b) End of service of the insured person through his decease.

c) Death of the pensioner without there being beneficiaries entitled to the pension.

d) Establishment total disability, or the occurrence of death resulting from a work accident, after the termination of service. The additional lump sum indemnity, in case of its becoming due as a result of death, shall be paid to those defined by the insured person, or the pensioner before his death. If he has not defined any, it shall be paid to the legitimate heirs. It is conditional for the deserving of the additional indemnity amount, that the insured person shall have a subscription period in the insurance not less than three continuous months, or six intermittent months.

The indemnity calculation:

1- The amount of additional indemnity shall be equal to a percentage of the annual wage to the age of the insured person, at the date of establishing the entitlement case, and according to Schedule No. (5).

**Percentages of Amounts of Additional Indemnities
Table NO. (5)**

Age	Percentage of Amounts of Additional indemnities	Age	Percentage of Amounts of Additional indemnities
up to 25	267%	up to 44	140%
26	260%	45	133%
27	253%	46	127%
28	247%	47	120%
29	240%	48	113%
30	233%	49	107%
31	227%	50	100%
32	220%	51	93%
33	213%	52	87%
34	207%	53	80%
35	200%	54	73%
36	193%	55	67%
37	187%	56	60%
38	180%	57	53%
39	173%	58	47%
40	167%	59	40%
41	160%	60	33%
42	153%	up to 62	25%
43	147%	over 62	20%

Remarks:

- In the assessment of the age, the fractions of a year shall be regarded as one complete year.

Annual wage means the average monthly wage on the basis of which the pension to be paid by the Fund was assessed, multiplied by 12.

In cases of partial disability, half of the amount referred to in the first paragraph shall be paid. In all cases, the amount of additional indemnity shall be increases by a ratio of 50%, in respect of the cases resulting from a work injury.

The additional indemnity lump sum shall be doubled in case it falls due as a result of the insured person's termination of service because of death, without there being pension beneficiaries. (Article 118)

2- If the service of the insured person is terminated because of disability, and he was entitled to an additional indemnity, then he was reinstated to service, and his service is terminated for the second time due to disability, the amount of additional indemnity already paid to him for the first disability, shall be deducted from the amount of indemnity payable to him for the last disability. (Article 119)

8/5/2 Death Allowance:

1- On the death of the insured person, or the pensioner, an allowance shall be payable for the month during which death occurs and the two subsequent months, in addition to his due wage for the days of work during the month of his decease.

The allowance shall be evaluated equal to the wage or pension payable for the month during which the death occurs. Such allowance shall be paid through the body wherefrom he received the wage, or that which was bound to pay his pension according to each case. In respect of an insured person working for departments referred to in item (a) of article (2),

the allowance shall be payable out of the account from which the wage was being paid. (Article 120)

2- The amount provided for, in the previous article shall be payable to those defined by the insured person, or the pensioner. If he did not define anyone, they shall be payable to the widows, and in case of their nonexistence, they shall be payable to the sons and daughters in whose concern the conditions of deserving a pension provided for, in articles (107) and (108) are fulfilled.

If the insured person, or the pensioner has a widow, and sons fulfilling the conditions prescribed in the previous paragraph, who were not borne of that widow, it shall be observed that the aforementioned amounts shall be divided according to the number of marriages. If none is found of those mentioned before, the grant shall be payable to both parents, or either of them, and in case of their non existence, it shall be payable to his brothers and sisters, in whose concern, the conditions referred to in article (109) are fulfilled .

If the allowance is payable to minor sons, brothers, and unmarried sisters, it shall be paid to the person in charge of their affairs, whose quality shall be established by an administrative certificate. (Article 121)

8/5/3 Funeral Expenses:

In the event of death of the pensioner, the authority paying the pension shall be under the obligation to pay funeral expenses at the rate of two months' pension with a minimum of L.E 100. Payment shall be made to the widow and, in the absence of a widow, to the adult son, or to any person proved having undertaken the payment of funeral expenses.

Payment of these expenses should be made within three days at the most from the date of submitting the application. (Article 122)

8/5/4 Loans:

Social Insurance Organization can afford cash loans to the insured persons. The lump sum loan shall be determined in accordance with schedule No. (7) attached, the age of the insured person at the date of medical examination and his health condition.

**Capital corresponding to one Pound
Of Accumulated Pension
Table No. (7)**

Age on Commutation	For a period of (5) years		For a period of(10) years		For a period of (15) years	
	L.E	M	L.E	M	L.E	M
up to 40 year	53	300	94	800	126	600
41	53	250	94	600	126	100
42	43	200	94	400	125	600
43	43	150	94	200	125	100

Age on Commutation	For a period of (5) years		For a period of(10) years		For a period of (15) years	
	L.E	M	L.E	M	L.E	M
44						
45	53	100	94	--	124	600
46	53	050	93	700	124	100
47	52	950	93	400	123	500
48	52	850	93	100	122	700
49	52	750	92	800	121	900
50	52	650	92	400	121	-
51	52	550	91	900	120	-
52	52	450	91	400	118	900
53	52	300	90	800	117	700
54	52	150	90	200	116	400
55	52	-	89	500	114	900
56	51	800	88	800	113	300
57	51	600	88	-	111	600
58	51	350	78	100	109	800
59	51	100	86	100	107	900
60	50	800	85	100	105	800
61	50	500	85	-	103	600
62	50	150	82	800	-	-
63	49	800	81	400	-	-
64	49	350	79	900	-	-
65	48	900	78	300	-	-
	48	400	76	700	-	-

Remarks:

1. In the assessment of the age, fractions of the year shall be regarded as one complete year.
2. Including the age, the period of extension which the concerned medical authority authorities should be observed, according to the state of health of the commutation application applicant; and the result of the medical examination shall remain valid for a period of one year from the date of issue of the concerned medical authority report, to complete commutation formalities.

3. Commutation shall not be allowed for those whom the concerned medical authority declares that they are of bad health.

4. Commutation shall not be allowed for those whose ages are more than 65 years, by taking into consideration the stipulation of Item No. (2).

The loan pensions shall be within one- third of their amounts.

It is a condition that the rest of the pension after the loan premium shall not be less than the minimum, numeral limit for the pension.

The loan may not take place more than once every two years from the date of effecting the last loan. This period may be reduced to one year, upon submitting justifying reasons, by a decree from the Minister of Insurance.

The loan shall be considered valid as of the date its estimation value has been accepted. The first premium shall be deducted in advance from the wage or the pension.

Loan premiums shall be omitted with the death of the insured person or the pensioner.

8/5/5 Missing Persons Benefits:

In case the insured person, or the pension is missed, his beneficiaries shall receive a monthly allowance equal to their entitlements to pension assuming his death, as of the first of the month he is found missing, until he reappears, or his death is established actually or by judgment.

If the insured person is found missing during the exercise of his work, the allowance shall be estimated as equivalent to the pension determined for work injury insurance, and the pension determined for old age, disability and death insurance, within the limits prescribed in article (71) (100% of last wage).

The Minister of Insurance shall issue a decision determining the procedures to be taken to establish the condition of such missing.

After the elapse of four years, from the date of the missing or after establishing his death actually or by judgment, the date of missing shall be considered the date of service termination, for the assessment of all pension rights, and shall be payable according to the following:- (Article 124)

a) The allowance assessed according to the first paragraph shall continue to be paid as a pension.

b) The amount of the additional indemnity shall be paid to the legitimate heirs who are living at the date of the elapsing of four years from the date he was found missing, or the date his death is actually established or by judgment unless the insured person has nominated other beneficiaries before he was found missing, in which case the amount will be paid to them.

c) The grant shall be payable to the beneficiaries stipulated upon in article 121, who are still alive at the date of the elapsing of four years from the date he was found missing, or the date his death is actually established or by judgment.

8/5/6 Social Care Insurance For Pensioners(Pensioners social welfare insurance benefits):

A- Kinds of social welfare:

1- Full accommodation in welfare houses to be established for this purpose.

2- Supply of cultural libraries and clubs provided with suitable means of recreation.

3- Supply of suitable experts and superintendents.

4- Supply of means of recreation such as picnics, theatrical shows, going to summer and winter resorts and visiting public gardens.

5- Providing special facilities to be issued by a Republican decree as a relative reduction of the fees of transport, clubs, museums, exhibitions, cinemas and state- owned theatres as well as picnics organized by the state's administrative machinery units, general organizations and institutions, public sector units and accommodation at governmental treatment centers.

B- How to provide social welfare:

The General Organization for Insurance and Pensions and General Organization for Social Insurance should, within 5 years from 15th September 1975, establish social welfare houses for pensioners whether directly or in collaboration with Ministry of Social Affairs.

C- Financing of the benefits and facilities: (Article 99)

The finance of this insurance shall be constituted by the following:-

1- Amounts allocated annually by the public treasury to social patronage houses.

2- The allocated annual amounts for the said insurance in the budgets of the two competent authorities.

3- Donations, and wills accepted by the competent authority's board of directors.

4- Net proceeds of festivals, fairs, and galas, and lotteries which are organized in favor of such houses.

5- Contributions payable by those enjoying benefits of the provision of item (4) of Article (102).

6- Other proceeds accruing from activity of social patronage houses.

General Rules for Benefits:

1- The President of the Republic may issue a decree, at the proposal of the Minister of Insurance, and after agreement with the concerned Ministers- granting the pensioners treatment pursuant to the provisions of this Law, special facilities to be specified in such decree, and in particular the following:(Article 103)

- Relative reduction in railway communication tariff, as well as public transportation owned by the state within the cities.

- A reduction in entry fees to clubs, museums, exhibitions, movie houses, and theatres owned by the state.

- A reduction in the residence charges at the treating places belonging to the State Administrative Machinery.

- A reduction in charges for journeys organized by the state administrative machinery, public authorities, or general organizations, and the economic units affiliated to any of them within the Arab Republic of Egypt, or abroad.

In all cases, a reduction shall not exceed 75% of the official value.

2- The total permanent disability pensioner shall be entitled to a disability aid estimated at 20% monthly of the value of his due pension, in case the Health Insurance General Authority decides that he is in need of the permanent assistance of another person to perform his daily activities.(Article 103bis)

Payment of this aid shall be suspended, in case of his joining a work, or the removal of the situation, in accordance with the decision of the aforementioned authority, or his death.

Problems and Questions

1- Fill in the Blanks with the Appropriate word

(Write the missing word only):

- Insurance is a ----- for the handling of some of the ----- . Risks can be classified in various ways. For example, there are dynamic or speculative risks, which are ----- and ----- or ----- which are insurable.

- Dynamic risks may result in either a ----- or a ----- , ----- risks on the other hand, can result only in loss.

- Because the element of risk cannot usually be avoided, it may be ----- or ----- .

- Planned risk retention, often called ----- insurance.

- Insurance is based on the operation of the law of ----- , thus there must be a ----- number of risk of a ----- class being insured so as to produce an average of loss experience.

- An insurable risk must meet five requirements:-

a-There must be a --- of risks of a --- class

b-It must be possible to ----- the chance of loss.

c-The occurrence of loss must be ----.

d-There must be an insurable ---- to protect.

e-The possible loss must not be -----

- Every one has an ----- in his own life, spouses are deemed to have such an ----- in the life of each other.

2- Indicate whether each of the following statements is true or false and why:-

- Insurance is a device for the handling of all risks to which man is subject.

- Political risks are uninsurable.

- Static risks are insurable.
- All risks can be avoided.
- Insurance companies often operate as transferees of risks instead of utilizing the combination method.
- If the chance of loss to your house by fire is 0.05 percent, your fire insurance company will figure that it must charge you 5 piaster per every L.E.100 of coverage, plus additions for expenses and profit.
- Insurance serve not only as risk transferees but also as risk reducers.
- Insurance and gambling are the same so that “you bet that“you bet that you will die and the insurance company bets that you do not”
- Self-insurance system is the ideal solution when the degree of risk is slight or the possible loss is small.
- The insurance contract, like any other contract, must conform to the requirements that apply to all contracts.
- A life insurance contract, being a personal contract, is not assignable without the permission of the insurer.

3- Give brief answer to the following questions:

- What alternatives are there for handling objective risk?
- What is the difference between dynamic or speculative risks and static or pure risks?
- Present briefly three essential features for insurance.
- What is the difference between risk assumption, risk prevention and risk; transfer.

4- Fill in the blanks with the appropriate word (write the missing words only):-

- Insurance is a device for the transfer of ----- individual entitles to an ----- who agrees for a

consideration (called the -----) to assume to a specified extent losses suffered by the -----.

- The term risk is used in insurance to mean the ----
--- of insurance or ----- or ----- or -----.

- The main function of insurance is ----- bearing.
The financial losses of the individual are equitably -----
-- over the many.

- Liability insurance arises mainly from the
operation of the law of-----.

- Marine contract are written to cover the -----,
the -----, the ----- and the -----.

5- Indicate which risks are insurable risks and which are not of the following:-

- Loss of life or income due to old age, invalidity and premature death.

- Market risks.

-Restrictions on free exchange of currencies

- Legal liability risks resulting out of the use of automobiles.

-Failure of machinery to function economically.

- Political risks.

6- Indicate whether each of the following statements is true or false and why?

- Insurance solves social problems through the system of social insurance.

- Insurance promotes loss-prevention through the system of rating.

7- Set out some of the functions of insurance.

8- Indicate some of the risks which are insurable commercially and which are not.

9 - illustrate the reasons for uninsurable risks.

10- Indicate whether each of the following statement is true or false and why:-

- The principle of indemnity is associated with life insurance.

- Insurance follows the person and not the property.

- Ownership is not the only evidence of insurable interest.

-The insurer is entitled to subrogation only after the insured has been fully indemnified.

- The principle of utmost good faith imposes a higher standard on honesty on parties to an insurance agreement than is imposed in ordinary commercial contracts.

-Insurance contract must be for a legal purpose and the parties must have legal capacity to contract.

-Reinsurance is required in all departments of insurance business.

- If a reinsurer fails to meet his obligations the direct insurer is still liable in full to the insured.

- All contracts of Reinsurance are contracts of indemnity.

- Reinsurance contract operates between the insured person and the re-insurer.

- Pure (static) risks are insurable.

- Law of large numbers is one of the essential features of insurance.

- A wife may insure the life of her husband.

- Reinsurance is required in all sections of insurance business.

- Social insurance contributions represent the basic source of financing social insurance benefits old age, invalidity and death insurance.

11- Fill in the blanks with the appropriate word:

- The principle of----- is necessary to prevent insurance from becoming a gambling contract.

- One who takes out life insurance on another's life must have an ----- in that person's life.
- A creditor has an ----- in the life of a debtor.
- Subrogation does not normally exist in lines where the principle of indemnity does not apply such as ----- insurance.

12- What constitutes insurable interest.

13- When the insurable interest must exist In life insurance.

14 - What we mean by insurance.

15 – Determine four types of life insurance.

Contents

Chapter One

Preface

Insurance and Insurable Risks

1/1	Insurable Risks	5-10
	1/1/1 The Insurable Risks (commercially)	6
	1/1/2 Requirements of an Insurable Risks	8
1/2	Insurance	11-16
	1/2/1 What do we mean by Insurance?	12
	1/2/2 Insurance and Gambling are exactly opposites	13
	1/2/3 The Principle Function of Insurance	14
	1/2/4 Differences between Private Insurance and Social Insurance	15
	1/2/5 Definitions	16
1/3	Questions	17

Chapter Two

Life Assurance

as a Social and Economic Device

2/1	What is Life Assurance?	21-22
------------	--------------------------------------	--------------

2/2	What is Life Assurance Policy? ...	23-24
2/3	The Principle Types of Life Assurance Policies	25-30
	2/3/1 Term Assurance	25
	2/3/2 Annuities (Pensions) ...	26
	2/3/3 Professional Policies ...	26
	2/3/4 Group Life Assurance ..	27
	2/3/5 Industrial Life Assurance and Friendly Societies .	27
	2/3/6 The Growth of Life Risk Experience Introduce new classes of risk	28
	2/3/7 Insured Values as a Guide to the Financial Circumstances	30
2/4	Economic Value of a Human Life... (Measuring Premature Death Loss)	31- 40
	2/4/1 Preface	32
	2/4/2 Capitalization of Income Approach	33
	2/4/3 Needs Approach	34
	2/4/4 Loss -to -Business Approach ...	38
2/5	Questions for Review and iscussion ...	41- 42

Chapter Three Legal Principles of Life Assurance

3/1	Preface	45
------------	----------------------	-----------

3/2	Principle of Indemnity	47-48
3/3	Principle of Insurable Interest	49-56
	3/3/1 What do we mean by the Principle of Insurable Interest?	50
	3/3/2 What Constitutes Insurable Interest?	51
	3/3/3 When does the Insurable Interest must exist?	55
3/4	Principle of Subrogation	57-62
	3/4/1 What do we mean by the Principle of Subrogation	58
	3/4/2 The Importance of the Principle	58
3/5	Principle of Utmost Good Faith ...	63

Chapter Four
Legal Doctrines
of the Insurance Contract
and the Contractual Provisions

4/1	Representation	67-69
4/2	Distinguishing Legal Characteristics of Insurance Contract	71-75
4/3	The Requirements of the	

	Insurance Contract	77-82
	4/3/1 Preface	78
	4/3/2 Legality	79
	4/3/3 Legal capacity	79
	4/3/4 Offer and Acceptance .	80
	4/3/5 Considerations	82
4/4	Oral Contracts of Insurance	83-85
	4/4/1 Parole Evidence Rule .	84
	4/4/2 Effect of Mistakes	84
4/5	Life Insurance Contractual Provisions	86-92
4/6	Summary	93-95
4/7	Questions for Review and Discussion	97-100

Chapter Five Major Types of Life Assurance

5/1	Ordinary Life Insurance	103-109
	5/1/1 Preface	104
	5/1/2 Term Insurance	104
	5/1/3 Whole Life Insurance ..	107
	5/1/4 Endowment Insurance .	108
5/2	Package Contracts.	111-119
	5/2/1 Family Income Policy .	112
	5/2/2 Family Maintenance Policy	114

5/2/3	Specials	114
5/2/4	Modified Life Insurance Contracts	115
5/2/5	Multiple Protection Insurance Contracts	116
5/2/6	Juvenile Insurance Life Insurance	117
5/2/7	Jumping Juvenile Insurance	117
5/2/8	Family Group Policy ...	118
5/2/9	Variable Life Contract .	119
5/3	Industrial Insurance and group life insurance for employees	121-130
5/3/1	Industrial Insurance	122
5/3/2	Group Life Insurance For Employees	122
5/3/3	Credit Life Insurance	129
5/4	Annuities and Individual Retirement Accounts	131-136
5/5	Retirement Plans	137-143
5/6	Summary	145-147
5/7	Questions for Review and Discussion	149-152

Chapter six Problems of Life Assurance

6/1	Preface	155
6/2	Problems of Long Term	

	Savings	157-159
6/3	The Life Insurance Method For Long Term Savings	161-163
6/4	Fixed Pound Investments and Inflation	165
6/5	The Inflation Peril	167-174
	6/5/1 Insurance Methods to Offset Inflation	168
	6/5/2 Employer -Sponsored Annuities	168
	6/5/3 Variable life policy ...	170
	6/5/4 The variable annuity.	173
6/6	Key Points	175-176
6/7	Reinsurance.....	177
	6/7/1 Necessity of Reinsurance	178
	6/7/2 Reinsurance Terms...	179
	6/7/3 Reinsurance Methods...	181

Chapter Seven Probabilities Of Living and Dying

7/1	Life (or Mortality) Table	191-263
	7/1/1 The Life (or Mortality) Table	192
	7/1/2 International Actuarial Notations.....	199

7/2	Probabilities of Living and Dying- rate of Mortality	207
7/3	The Force of Mortality.....	217
7/4	Ultimate and Aggregate Mortality Tables.....	229

**Chapter Eight
Old-age, Invalidity and Death
As a Social Insurance**

8/1	Introduction	265
8/2	Social Insurance Scheme	267-318
	8/2/1 Social Insurance Scheme for Workers...	268
	8/2/2 Social Insurance for Other Categories	300
8/3	Old Age, Invalidity and Death Insurance	311-351
	8/3/1 Financing.....	312
	11/3/2 Pensions and Compensations	314
	8/3/3 Rules for Computing Some Contribution Periods	331
8/4	Beneficiaries and Entitlements Conditions	353-366
	8/4/1 Determining the Beneficiaries	354

8/4/2 General Rules	357
8/4/3 Distribution of Death Pension	363
8/5 Additional Benefits	367-378
8/5/1 Additional Compensation	368
8/5/2 Death Allowance	370
8/5/3 Funeral Expenses	372
8/5/4 Loans	372
8/5/5 Missing Persons Benefits	374
8/5/6 Social Care Insurance for Pensioners	376
Problems and Questions	379-383
Contents	385-393

رقم الإيداع القانوني
4820/2005