



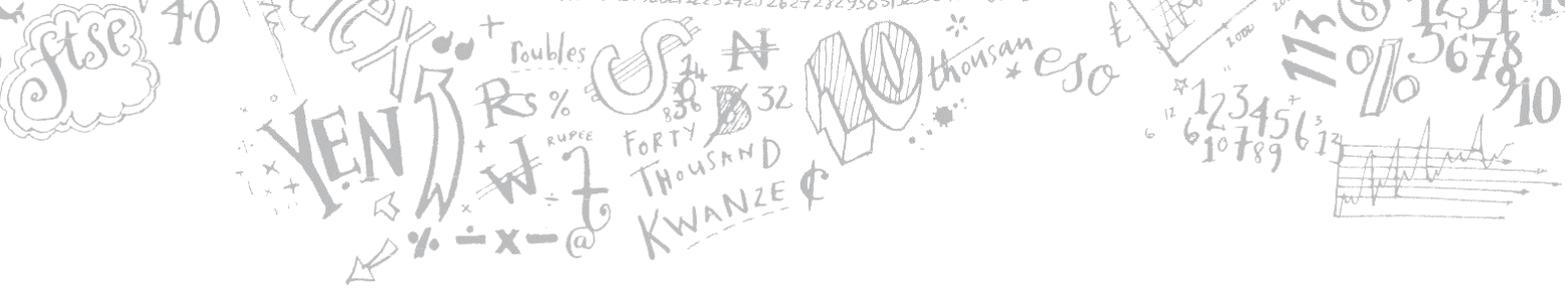
**Briefing of Law No. 27
dated 10 February 2017**

National Social Security Fund



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National Social Security Fund (NSSF)

Law No.27 dated 10 February 2017 (issued by the National Social Security Fund), Decision No. 224 dated 12 July 2017 (issued by the Ministry of Labor) and their application “Memo No.559 dated 24 July 2017” (issued by the National Social Security Fund)

The NSSF issued Law No.27 dated 10 February 2017 followed by Decision No. 224 dated 12 July 2017 issued by the Ministry of Labor and their application Memo No.559 dated 24 July 2017 issued by the NSSF relating to pensioners' benefit from the provision of sickness and maternity scheme. In this regards, the sickness and maternity contribution has increased by 1% on the applicable base of both employer and employee (Employees' contributions to sickness and maternity increased from 2% to 3%, and the employer's contribution increased from 7% to 8%).

This law is effective starting 10 February 2017. The mechanism of application is as follows:

Companies would submit the regular social security returns including the new sickness and maternity rates of 11% as follows:

- ▶ Starting the month of September 2017 for companies that submit monthly returns, which is due by end of October 2017.
- ▶ Starting the third quarter 2017 for companies that submit quarterly returns, which is due by end of December 2017.

As for the prior periods, companies should settle the additional 2% contributions in special schedule No.34 (which will be released soon by NSSF) for the following periods:

- ▶ Starting 16 February until 31 August for companies that submit monthly returns.
- ▶ Starting 16 February until 30 June for companies that submit quarterly returns.

Who is a pensioner?

The pensioner is the individual whose employment contract was terminated due to reaching the legal age of retirement or due to disability. Pensioners are subject to the sickness and maternity contributions under same conditions that apply to the working individual.

Those who may benefit from this Plan are the following:

- ▶ Employees of the private and public sectors as defined by Article 9 of the Social Security Law;
- ▶ Foreign employees as defined by Article 9 of the Social Security Law; and
- ▶ Permanent employees working for Agricultural establishments as per Law No. 74/8 and decree No. 7757/1974.

Rules and conditions:

The following conditions should be met in order to enable the pensioner to benefit from this plan:

- ▶ Should have reached 60-64 years old and retired, or permanently disabled;
- ▶ Should not have any public health coverage;
- ▶ Should be resident in Lebanon; and
- ▶ Should have been subscribed with the Sickness and Maternity scheme for at least 20 years.

Employees who resigned before retirement age but have been contributing to the sickness and maternity scheme for at least 20 years can still benefit from this Plan at the time they reach the retirement age (60-64).

Social Security (SS) contributions are due on the pensioner starting the first day following the last employment date.

The right of the pensioner to benefit from this plan will be suspended in case he was mandatorily registered with NSSF or any other medical coverage program (i.e., governmental employees cooperative, security forces, etc.).

Other benefits (The pensioner's family members)

In case of death of the pensioner or of the employee before the retirement age, but after completing 20 years of subscription, benefits are directed to:

a) The husband/spouse:

- ▶ If he/she does not get married again
- ▶ If he/she does not benefit from another public health coverage
- ▶ If he/she does not have his/her own business;
- ▶ If he/she is not registered in the commercial register; and
- ▶ If he/she is resident in Lebanon.

SS contributions are due on the husband/spouse starting from the day of submission of the retirement registration form.

a) The children:

In case the pensioner has no husband/spouse, or in case the conditions stated above do not apply to the husband/spouse, the pensioner's children can benefit from this plan until they reach 18 years of age. In case the child is disabled, he can benefit from the SS sickness and maternity regardless of his age.

SS contributions are due on the children starting from the day of submission of the retirement registration form.

P.S.: The pensioner's contributions would be computed based on the minimum wage, currently being LBP 675,000 per month.

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