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

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

Having reviewed the Constitution, in particular Article (38) thereof;

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

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

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

Legislative Decree No. (6) of 1991 regarding the Establishment of a Retirement Fund for Bahraini and Non-Bahraini Officers and Personnel of the Bahrain Defence Force and Public Security Forces;

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

Legislative Decree No. (47) of 2010 regarding the Management and Competencies of the Retirement Fund for Bahraini and Non-Bahraini Officers and Personnel of the Bahrain Defence Force and Public Security Forces, established under Legislative Decree No. (6) of 1991;

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

Due to the severe economic conditions resulting from the novel Coronavirus (COVID-19) pandemic and the subsequent global economic crisis, and as a result of the worsening deficit in retirement and insurance funds, urgent measures and actions are required to be taken without delay to contribute to restoring the balance between the resources and expenses of these funds;

And upon the submission of the First Deputy of the Prime Minister;

And after the approval of the Council of Ministers,

**Hereby Decree the following Law:**

**Article One**

Both the Retirement Fund for Government Employees established by Law No. (13) of 1975 regulating retirement pensions and gratuities for government employees, and the Social Insurance Fund established by the Social Insurance Law promulgated by Legislative Decree No. (24) of 1976, shall be merged into a single fund created for this purpose, called the (Retirement and Social Insurance Fund). The Social Insurance Organization shall be responsible for managing this fund.

The resources of the Retirement and Social Insurance Fund shall consist of all contributions, amounts, fees and subsidies paid to the Retirement Fund for Government Employees established by Law No. (13) of 1975 regarding the Regulation of Retirement Pensions and Gratuities for Government Employees, and the Social Insurance Fund established by the Social Insurance Law promulgated by Legislative Decree No.(24) of 1976, as well as the returns from its investments and other resources resulting from its activities, and any amounts determined or paid to it in accordance with the relevant laws.

**Article Two**

The annual increase in all pensions provided for under any retirement or insurance law or system shall be suspended.

If it is determined from the actuarial report that there is a surplus in the Retirement and Social Insurance Fund or the Retirement Fund for Bahraini and Non-Bahraini Officers and Personnel of the Bahrain Defence Force and Public Security Forces, established under Legislative Decree No. (6) of 1991, this surplus shall be transferred to a separate account in each of the two funds, and it shall not be disposed of except with the approval of either the Supreme Council for Military Retirement or the Social Insurance Organization - as the case may be -. This surplus shall be used to increase pensions by an amount not exceeding the increase in the general consumer price index, taking into consideration the recipients of limited pensions.

**Article Three**

It shall not be permissible to combine retirement pensions due under the provisions of Law No. (13) of 1975 regarding the Regulation of Retirement Pensions and Gratuities for Government Employees and the Law regarding the Regulation of Retirement Pensions and Gratuities for Officers and Personnel of the Bahrain Defence Force and Public Security, promulgated by Legislative Decree No. (11) of 1976 and the Social Insurance Law promulgated by Legislative Decree No.(24) of 1976 and the Legislative Decree No. (45) of 2018 regarding the Retirement System for Ministers and the Likes, and Retirement Gratuities for Members of the Shura and Representatives Councils, and Municipal Councils as well as any other retirement or insurance law or system. Likewise, it shall not be permissible to combine a retirement pension with a salary, wage or monthly allowance when individuals are subject to contributions under any of the aforementioned laws or systems.

However, the prohibition mentioned in the previous paragraph shall not apply to pensions due to disability, work-related injury or family relations.

**Article Four**

As an exception to the provisions of the Law No. (13) of 1975 regarding the Regulation of Retirement Pensions and Gratuities for Government Employees and the Law regarding the Regulation of Retirement Pensions and Gratuities for Officers and Personnel of the Bahrain Defence Force and Public Security promulgated by Legislative Decree No. (11) of 1976 and the Social Insurance Law promulgated by Legislative Decree No.(24) of 1976 and the Legislative Decree No. (45) of 2018 regarding the Retirement System for Ministers and the Likes, the pensioner entitled under any of the aforementioned laws, in the event of joining a job or employment that is not subject to the same law under which they entitled the pension, shall have the following options:

1- Combine his previous service period with his new service period, in accordance with the rules specified in the retirement and insurance laws and systems.

2- Continue receiving the entitled pension for his previous service period while also receiving a salary, wage or bonus for his new service without making retirement contributions. However, he shall make contributions for insurance against work injuries.

**Article Five**

Without prejudice to any more severe penalty provided for by any other law, any employer who fails to pay the social insurance contributions to which he is committed according to the Social Insurance Law promulgated by Legislative Decree No.(24) of 1976 shall be punished with a fine of not less than the total value of the contributions that have not been paid and not exceeding three times that value.

All amounts imposed as fines shall be allocated to the Retirement and Social Insurance Fund.

**Article Six**

The Supreme Council for Military Retirement and the Minister of Finance and National Economy, upon the approval of the Board of Directors of the Social Insurance Organization - as the case may be - shall issue the necessary decisions to implement the provisions of this Law, including identifying recipients of limited pensions and regulating the situations of pensioners regarding contributions paid during the current service period.

**Article Seven**

The Prime Minister, the Commander-in-Chief of the Defence Force, the Ministers and those concerned - each within his jurisdiction - shall implement the provisions of this law and it shall come into force from the first day of the following month after its publication in the Official Gazette.

**King of the Kingdom of Bahrain**

**Hamad bin Isa Al Khalifa**

**First Deputy of the Prime Minister**

**Salman bin Hamad Al Khalifa**

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