



Royal Decree No.52/2023

Social Protection Law

Date: 29 MAY 2024

Historical Development

Social Security	Pension and Social Insurance Systems
<p>Royal Decree 61/1977 Social Security Law</p>	<p>Royal Decree 40/1977 Law of Compensation for work injuries and occupational diseases</p>
<p>Royal Decree 87/1984 Social Security Law (Orphans, widows, divorcees, unmarried girls, disabled people, those who have reached old age, abandoned women, families of prisoners)</p>	<p>Laws and regulations for pensions and rewards for government employees, employees of security and military services, and their associated funds</p>
	<p>Royal Decree 72/1991 - Social Insurance Law</p> <ul style="list-style-type: none"> - Establishment of the General Authority for Social Insurance. - Insurance against old age, disability and death + insurance against work injuries and occupational diseases)
	<p>Royal Decree 82/2020 - Employment Security System A benefit for a worker dismissed from work for non-disciplinary reasons</p>
<p>Royal Decree 33/2021 - Systems for Pension and Social Protection</p>	
<p>Royal Decree 50/2023 - System of the Social Protection Fund</p>	
<p>Royal Decree 51/2023 - System of the Military and Security Services Pension Fund</p>	
<p>Royal Decree 52/2023 - Social Protection Law</p>	
<p>Social Protection Fund: Decision C/7/2023 issuing the Executive Regulation of the Social Protection Law</p>	

Pension Funds before being merged

Social Insurance Fund
(72/1991 BC Social Insurance)

Omani workers in the private sector + Omani self-employed workers and who is working for them + Omani workers abroad and whoever is working for them.

Ministry of Defense Retirement Fund
(3/2002 Post-service pensions and benefits for employees of the Ministry of Defense and the Sultan's Armed Forces)

Internal Security Service Retirement Fund
(29/2003 Post-service pensions and benefits for employees of the Internal Security Service)

Royal Oman Police Retirement Fund
(2/2000 Q post-service pensions and rewards for members of the Royal Oman Police)

Civil Service Employees Retirement Fund
(26/1986 Post-service pensions and benefits for Omani government employees)

Royal Office Pension Fund
(94/2000 BC and the system of pensions and after-service rewards for members of the Royal Office)

Royal Guard of Oman Retirement Fund
(49/1998 System of Pensions and Benefits for Members of the Royal Guard of Oman)

Diwan of Royal Court Retirement Fund
(86/1996 Post-service pensions and benefits for Omani employees of the Diwan of Royal Court)

Central Bank Pension Program

Sultan's Special Force Pension Fund

Petroleum Development Oman Pension Program

Pension Fund After Merging

Social
Protection Fund

Pension Fund for
military and
security services

Social Protection Law

Objectives of the Social Protection Law

1. Preserving insurance rights and unifying them among various sectors.
2. Providing protection and support to deal with various work-related risks to provide a healthy, safe and productive work environment.
3. Redistributing incomes through insurance and savings programs in accordance with risks and needs throughout a person's lifespan during the working stage and beyond.
4. Distributing potential risks in the labor market to employers and workers in an integrated insurance system to achieve comprehensive protection and reduce the total cost in the final outcome.
5. Enabling entities to properly plan and manage cash flows and other administrative requirements effectively, with insurance systems covering most of the risks associated with work.
6. Reducing discrimination against the employment of certain groups in society, such as women, people with disabilities, and those suffering from diseases through participating in an insurance system that provides insurance coverage for the special requirements of these groups.

Target Institutions

1. Governmental institutions and bodies.
2. Private institutions and companies.
3. Civil institutions and professional associations.
4. Foreign embassies in the Sultanate.
5. International institutions and bodies.
6. Gulf institutions that employ Omanis working in the Gulf Cooperation Council countries.

Social Protection Law (in relation to social security)

Benefits:

- Elderly
- People with disabilities
- Orphans and widows
- Children
- Family income support
- First-time job seekers
- Maternity

Social Protection Law (in relation to social insurance)

Branches:

- Insurance for old age, disability and death.
- Insurance for work injuries and occupational diseases
- Employment security insurance
- Sick leave and extraordinary leave insurance
- Maternity and paternity leave insurance
- Social health insurance
- Savings system

Social Insurance



Categories Covered:

- ▶ **Category One: Insurance for old age, disability and death**
- ▶ **Category Two: Insurance for work injuries and occupational diseases**
- ▶ **Category Three: Employment Security**
- ▶ **Category Four: Insurance on sick and extraordinary leave**
- ▶ **Category Five: Insurance on Maternity and Paternity Leave**

Category One: Insurance for old age, disability and death

Comparison	Social Insurance Law	Social Protection Law
Applicability	<ul style="list-style-type: none"> Omani workers in the private sector on permanent contracts Age not less than 15 years and not more than 59 years. <p>Protection was later extended to self-employed Omanis and those working abroad.</p>	<ol style="list-style-type: none"> All Omani workers, including temporary contracts, training contracts, part-time workers and retired workers. Members of the Oman Council and municipal councils Self-employed Omanis and whoever is employed by them. Omanis who are subject to the regulations extending insurance protection to citizens of the Gulf Cooperation Council countries.
Enforcement Date	-	January 2024
Employer's contribution	9.5% monthly	11%
Employee's contribution	6.5% monthly	7.5%
Government contribution	5% monthly	Not mentioned

Category One: Insurance for old age, disability and death

Comparison	Social Insurance Law	Social Protection Law
Entitlement to old age pension	<p>For men: Age 60 (at least 180 months) or before age 60 (at least 240 months)</p> <p>For women: Age 55 (at least 120 months) or before age 45 (at least 180 months)</p>	<ul style="list-style-type: none"> Men: Age 60. Women: Age 55. <p>Dangerous and hard work:</p> <ul style="list-style-type: none"> Men: Age 55 Women: 50 <p>with a minimum of (20) years of service.</p> <p>Military and security: Age 55, with a minimum of (20) years of service.</p> <p>Persons with disabilities: Age 50, with a minimum of (15) years of service.</p>
Entitlement to a disability pension and death due to a non-occupational cause	<ol style="list-style-type: none"> The subscription period must be 6 consecutive months before disability or death occurs. A period of 12 non-consecutive months, including at least 3 continuous subscription months before disability or death occurs. 	Same, no change.
The minimum wage subject to subscription	The prescribed minimum wage	No minimum Self-employed workers and workers abroad: OMR 5/500 monthly subscription
The maximum wage subject to contribution	OMR 3,000	OMR 3,000

Category Two: Insurance for work injuries and occupational diseases

Comparison	Social Insurance Law	Social Protection Law
Applicability	All employees working in Oman	<ol style="list-style-type: none"> 1. All employees working in Oman. 2. Members of the Oman Council and municipal councils 3. Self-employed employees
Enforcement Date	-	<p>For Omanis: January 2024</p> <p>For non-Omanis: July 2026</p>
Employer's contribution	1% monthly	1%
Employee's contribution	-	-
Compensation incase of injury	75% of the daily wage	<ul style="list-style-type: none"> • 100% of the subscription amount for 6 months • 75% of the wage for the next 6 months

Category Three: Employment Security

Applicability	<p>Mandatory: For all Omani's working in the Sultanate and retired workers</p> <p>This is not applicable to self-employed works and part time workers.</p> <p>Optional: Omani's working in the GCC, Omani's working abroad and those working for them.</p>
Enforcement Date	January 2024
Employer's Contribution	0.5%
Employee's Contribution	0.5%
Eligibility Conditions	<ol style="list-style-type: none">1. Completion of the period.2. Must not have left work voluntarily.3. The dismissal should not be disciplinary.4. Must not have reached the age of the elderly.5. Must not be enrolled in an educational institution with a regular education system.6. Must be able to work and be serious about searching for it.
Minimum Compensation	OMR 115
Duration of payment of the allowance	6 consecutive or inconsecutive months

Category Four: Insurance on sick and extraordinary leave

Applicability	<p>Mandatory: For all Omani's working in the Sultanate and retired workers</p> <p>This is not applicable to self-employed works and part time workers, Omani's working in the GCC and Omani's working abroad.</p>
Enforcement Date	July 2025
Employer's Contribution	1%
Employee's Contribution	-
Compensation for sick leave	<ul style="list-style-type: none">• Must not exceed 182 days in a year.• The Employer must cover salary for the first 7 days (full salary).• The remaining period of sick leave is covered as follows:<ol style="list-style-type: none">1. From day 8 to day 21: 100% of salary2. From day 22 to day 35: 75% of salary3. From day 36 to day 70: 50% of salary4. From day 71 to day 182: 35% of salary

Category Four: Insurance on sick and extraordinary leave

Compensation for extraordinary leave

100% of the last salary is payable in the following circumstances:

1. 3 (three) days in the event of marriage.
2. 3 (three) days in the event of the death of father, mother, grandfather, grandmother, brother, or sister.
3. 2 (two) days in the event of the death of the paternal uncle or aunt or the maternal uncle or aunt.
4. 10 (ten) days in the event of the death of the wife, a son, or a daughter.
5. 130 (one hundred and thirty days) for the Muslim female worker in the event of the death of the husband and 14 (fourteen) days for the non-Muslim woman.
6. 30 days throughout the year for the Omani worker to accompany a patient with who he has a marital relationship or a kinship up to the second degree.
 - 100% pay for the first 15 days
 - 50% pay for the remaining day

Category Five: Insurance on Maternity and Paternity Leave

Applicability	Mandatory: For all Omani's working in the Sultanate and retired workers This is not applicable to self-employed works and part time workers, Omani's working in the GCC and Omani's working abroad.
Enforcement Date	July 2024
Employer's Contribution	1%
Employee's Contribution	-
Compensation for Maternity Leave	98 days (14 days before birth)
Compensation for Paternity Leave	<ul style="list-style-type: none">• 7 days• Child must be born alive• Does not exceed 98 days on child's age
Nature of Leave	Calculated within the actual tenure

Program / Category	Omani Insured Employee	Employer		Salary subject to contribution and entitlement	Commencement date	
		For Omanis	For non-Omanis		For Omanis	For non-Omanis
Old age, against disability and death	7.5%	11%	-	Gross salary and not exceeding the cap of contribution wage (Initially OMR 3,000)	January 2024	-
Work injuries and occupational diseases	-	1%	1%	Gross salary and not exceeding the cap of contribution wage (Initially OMR 3,000)	January 2024	July 2026
Employment security	0.5%	0.5%	-	Gross salary (without cap)	January 2024	-
Maternity and paternity leave	-	1%	1%	Gross salary (without cap)	July 2024	July 2024
Sick and extraordinary leave	-	1%	1%	Gross salary (without cap)	July 2025	July 2025
Savings system	optional	optional	9%	Basic salary	January 2024	July 2026 or before

Savings System

Overview

- ▶ A system with a specific contribution, which replaces the end-of-service benefit or reward paid by the employer to non-Omanis (Article 137).
- ▶ The employer was responsible for organizing and disbursing the end-of-service benefits according to the calculation specified by the Labour Law.

Who also is registered in the Savings System? Article 99 - Executive Regulations

- a. Every insured person whose contributions are paid in the old age, disability and death insurance branch exceed the contributions calculated on the prescribed cap of the contribution wage.
- b. Every insured person who loses, withdraws or renounces his Omani nationality and does not meet the conditions for entitlement to a pension before the loss, withdrawal or renunciation.
- c. Every insured person affiliated with any supplementary program that has been suspended and whose assets are transferred to the savings system.

End of Service Benefits

End of Service benefits in the Old Labour Law Royal Decree No. 35/2003 Article (39)	End of Service benefits in the New Labour Law Royal Decree No. 53/2023 Article (61)
<ul style="list-style-type: none">• Based of the last basic salary• 15 days salary for the first 3 years of service• Plus a months salary for every subsequent year	<ul style="list-style-type: none">• Based on the last basic salary• One basic salary for every year of service• The Employer decides / choose whether to give to Employees now or to transfer amount to pension fund (Article 61 Labour Law / Article 138 Social Protection Law)

Savings Systems... (1)

Applicability	Mandatory: All non-Omani employees Optional: <ol style="list-style-type: none">1. Omanis insured in social insurance branches.2. An employer that wishes to pay savings amounts on behalf of its employees.3. Non-Omani workers for savings that exceed the mandatory limit.4. Omanis who are not insured in social insurance branches.
Enforcement Date	July 2026, or before that. Before that, end of service benefit is either paid to the employee or transferred to the savings system (Article 138)
Employer's Contribution	9% of the basic salary
Employee's Contribution	- However, Employee can save higher amount

Savings Systems... (2)

Returns on investment in the savings system

Minimum 2% annually

The Fund announces the return percentage in the first quarter of each year.

Savings Entitlement

Total subscriptions and amounts deposited in Employee's personal account + investment returns

Payment / Disbursement Method

At the request of the saver:

1. All at once
2. Annual or monthly installments, taking into account the additional returns earned until the end of the savings.

Payment Entitlement

1. End work relationship for the non-Omani worker and his departure from the Sultanate, or if he remains after (3) months from the date of the end of the work relationship, provided that he is not bound to another work contract when submitting the payment request.
2. The Omani saver's service ends and he is entitled to a pension, with the exception of the permanent partial occupational disability pension, or if he is entitled to a reward, he loses a pension in accordance with the law.
3. Payment of monthly subscriptions or deposits for a period of no less than (180) months.
4. Death of the saver (distribution to the legal heirs).
5. Permanent disability.

Savings Systems... (3)

Residency requirement upon payment

Do not have to be a resident when payment is made.

Duty to notify and withdraw savings

The saver is obligated to notify the Fund of the date of his exit from the savings system or loss of any of its terms and conditions and to request the payment of his savings within a maximum period of one month from that date.

If he fails to do so:

- Savings are calculated in the period in which you become a non-subscriber with minimum investment returns for one year, and without any returns after the expiration of that year.

Questions you may have...



Can a resident/non-resident save?



Can a foreign investor benefit from the savings system?



How does the application of Article (40) of the Labor Law affect the savings entitlement?



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