

# Social Security Insurance in IRAN

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## Introduction



The social security in Iran is regulated by a law of 1975, on social security and one of 1986, on self-employed insurance. Together they provide for a social insurance system. The Iranian Social Security Organization as a public non-governmental institution with a socio-economic nature is the major and most inclusive provider of social protection based on social insurance principles. The organization is administratively and financially autonomous and relies on tripartite principle of employee, employer and Government. The system covers all employed and self-employed persons.

Based on social security laws and regulations, there are two main social security insurances in Iran:

(i) Compulsory Insurance: A person who works at

## Main Classifications of Social Security Insurance

a workplace under direction of an employer or his agent and receives wage or salary must be insured by its employer. The social security charge is levied on income up to a certain ceiling, which is revised annually.

(ii) Voluntary Insurance: According to the Social Security Law, those not covered by compulsory insurance can have their insurance procedure voluntarily through a contract according to the relative regulations approved by the High Council of Social Security in the case of being not more than 55 years old and at least a record of 30 days contribution payment.



### Payment of Social Security Insurance Premium



- Social Security Insurance premium should be paid for each employee. The total amount of premium is 33% of the employee's salary which should be paid as follows:

- (i) 20% will be paid by employer
- (ii) 3% will be paid by the Government
- (iii) 7% will be paid by employee
- (iv) 3% of unemployment insurance will also be paid by employer for Iranian employees only.

- Those who voluntarily applied for Social Security insurance have to contribute between 12% and 18% of their income depending on the protection sought.

The social security Insurance covers the following:

- A. Accident and sickness
- B. Maternity and Confinement
- C. Sickness Benefits
- D. Disability
- E. Retirement
- F. Death

### Benefits of Social Security Insurance



Article 183 of Iran Labour Law states that:

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## Penalties for Non-payment of Compulsory Social Security Insurance



“Employers who refuse to insure their workers, in addition to paying all workers' rights, will be fined up to two to ten times the relevant premium, considering conditions of the offender and the amount of the offence”. An employee would also be able to sue his employer for non-payment of social security insurance premium.

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Article 30 of Social Security Law of Iran states that: “The employer is required to pay each month’s insurance contribution to the organization no later than the end of the following month. He shall also submit to the organization a list of wages or salaries of the insured persons...” The premium recipient is the nearest branch or agency of the social security organization.

## How to Pay Social Security Insurance Premium



## Social Security Insurance of Foreigners in IRAN

According to a law ratified on September 26, 1979 by the Islamic Consultative Assembly, foreigners are also required to pay social security premium to SSO and shall be covered by SSO regulations except in the following cases:

- a) Where between the country of such aliens and the government of the Islamic Republic of Iran bilateral or multilateral treaties with regard to Social Security have been made, in which case the contents of such treaties shall be complied with and;
- b) Where an alien shall produce a certificate of his government authorities evidencing that during his employment in Iran he has been insured in his own country or any other country for any or all



the instance enumerated in Article 3 of the Social Security Act, in which case the said employees shall be exempted from payment of premium in respect of certified instances only.

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## Protest against Social Security Insurance Premium



Article 42 of Social Security Law of Iran states that: “If the employer should object to the amount fixed by the organization for the insurance contribution and penalties for delayed payments, he may, within 30 days of the date of notification, submit his protest to the organization in writing. The organization is required within thirty days of the date of receipt thereof to present same to a Board of First Instance for Assessing Claims. Where no protest is received from the employer during the period specified, the assessment of the organization shall be final and the amount of insurance contribution and the penalties as determined will be collected in accordance with the Article 50 of this law”.

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