

## **Unified Pension Law No. 9 of 2014**

In

Federal

Civil Service

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In the Name of the People

Presidency of the Republic

Pursuant to the House of Representative's Decision and the certification of the President of the Republic, and in accordance with the provisions of Item "First" of Article 61 and Item "Third" of Article 73 of the Constitution

The following law has been promulgated:

Law No. 9 of 2014

Unified Pension Law

### **Chapter One**

Definitions:

Article 1

The following terms and phrases shall have the meanings designated therefor below for the purposes of this Law:

First: Ministry: Ministry of Finance

Second: Commission: National Pension Commission

Third: Fund: State Employee Pension Fund

Fourth: President of the Commission: President of the National Pension Commission

Fifth: Director General: Director General of the State Employee Pension Fund.

Sixth: Board of Directors of the State Employee Pension Fund.

Seventh: Employee: Every individual entrusted with a civilian or military job, a job with the security forces or mandated with a public service, in return for a salary, wage, or remuneration/award from the state, with pension contributions deducted.

Eighth: Temporary employee: Every contracted individual fulfilling the employment conditions stipulated in the amended Civil Service Law No. 24 of 1960.

Ninth: Pensioner: Every individual meriting a pension salary, pension award, or lump sum in return for his service, in accordance with the provisions of this Law.

Tenth: Pension entitlements: The pension salary, pension award or lump sum.

Eleventh: Pension award: Award in lieu of a pension salary.

Twelfth: Lump sum: Monthly amount due to the pensioner in his lifetime when he has a service Pension (service Pension) no less than (10) ten years and less than (15) fifteen years.

Thirteenth: Damages award: Compensatory award for damages resulting from work injuries (injury at work).

Fourteenth: End of service award: Financial sum paid to the retired employee in accordance with the Law.

Fifteenth: Pension: Monthly salary due to the pensioner.

Sixteenth: Salary: Salary paid to the employee while on service Pension without allowances.

Seventeenth: Salary average: Average salary paid to the employee over 36 months of the last service Pension. For this average, the service salaries less than one month shall not be calculated.

Eighteenth: Pension job: Job performed in the State to which pension funds are contributed.

Nineteenth: Service Pension: Duration of service calculated for the purposes of Pension in accordance with the provisions of this Law or any other law, for which pension funds are contributed.

Twentieth: Pension share: Monthly share accrued for the individual from the pension salary.

Twenty first: Descendants: Family members of the employee or the pensioner who succeed him after death in accordance with the provisions of this Law or any other Law.

Twenty second: Private resources: Total monthly income which is not less than the minimum of the pension share for the single individual.

Twenty third: Eligible individual: Individual eligible for pension rights from among the descendants.

Twenty fourth: Medical committee: Competent formal medical committee formed at the Ministry of Health.

Twenty fifth: Medical appeal committee: Formal medical committee designated by the Ministry of Health to hear objections submitted against the medical committee's decision.

Twenty sixth: Illness: Health affliction preventing the employee from practicing his work, which does not result from a work injury.

Twenty seventh: Occupational illness: Health affliction preventing the employee from performing his work, which results from practicing a specific profession.

Twenty eighth: Work injury: The employee's affliction with an occupational illness resulting from performing his work, or the affliction with a physical disability as a result of an accident that

occurred at work or as a result of it. Accidents that occur while the employee is *en route* to work or returning from it shall also be considered a work injury.

Twenty ninth: Damages: Diminished ability to function completely or partially as a result of a work injury.

Thirty: Accident: Emergency external physical incident with a direct impact on the body.

Thirty first: Disability: Diminished ability to function completely or partially as a result of illness.

## **Chapter Two:**

Objectives, Means and Validity

### Article 2

First – This Law aims to:

- A. Ensure a decent life for those covered by its provisions.
- B. Contribute to enhancing the values of social solidarity and arrive at an equitable equation that guarantees justice in the distribution of income among the members of a single generation and the subsequent generations.
- C. Guarantee access by more groups to the Pension umbrella.
- D. Provide psychological and financial stability for the largest possible number of employees, pensioners and their descendants.
- E. Guarantee protection of income for working individuals and their families in the event of Pension, incapacity, disability, old age and death.
- F. Ease of worker mobility between the public and private sectors.

Second – The objectives of this Law shall be fulfilled through the following means:

- A. Investing the Fund's assets;
- B. Unifying the provisions governing the transition of benefits between the public and private sectors and facilitate the workforce movement between the two; and
- C. Using technology in providing services to the pensioners.

### Article 3

The provisions of this Law shall apply to all State employees in all departments, the public sector, the temporary employees, individuals commissioned with a public service, and State employees in the mixed sector, hired before 9/4/2003, and the pensioners in the following cases:

First – Pension

Second – Illness or disability

Third – Old age

Fourth – Death

## **Chapter Three**

The Commission

### Article 4

First – A Commission shall be formed and be called “The National Pension Commission” with a juridical capacity under the umbrella of the Ministry of Finance and shall be headquartered in Baghdad.

Second – The Commission shall be chaired by an employee with the rank of Deputy Minister (Under-Secretary), with at least a bachelor’s degree. He shall be the highest authority at the Commission and shall undertake all actions necessary to manage it, facilitate its work and activities, and represent it before the State departments and the judiciary in accordance with the Law. The Commission’s orders and decisions shall be issued in his name, and he may delegate part of his powers to another employee at the Commission.

Third – The Fund’s Director General shall take the place of the Commission’s President in the event of the latter’s absence.

Article 5:

The Commission shall undertake the following duties:

First – Verify the services of the State’s departments, public sector and the mixed sector, including civilian, military and security force employees and individuals commissioned with a public service.

Second – Conduct actuarial studies on the financial standing of the Fund through an independent actuarial expert and with the assistance of the Commission’s Division in charge of analysis of pension policies and actuarial calculations, every (5) five years.

Third – Create a database for State employees and pensioners covered by the provisions of this Law to guarantee transparency and facilitate access to accurate estimates on the Fund’s financial stability. The ministries and entities not affiliated with a ministry must supply the Commission with the data relevant to their affiliates.

Fourth – Calculate and dispense pension rights (entitlements) in accordance with the Law.

Fifth – Propose draft legislation relevant to Pension and legislative development to the Ministry of Finance in view of the developments and any problems facing enforcement within the State’s financial policy and objectives.

## **Chapter Four**

### Organizational Structure

Article 6

First – The Commission shall be formed of:

- A. State Employee Pension Fund
- B. Pensioner Affairs Directorate
- C. Administrative and Legal Affairs Directorate
- D. Computer and Information Systems Directorate
- E. Infrastructure and Services Directorate
- F. Financial Affairs Directorate
- G. Pension directorates in the governorates not incorporated (organized or regulated) in a (federal) region

Second – The Directorates indicated in Item First of this Article shall be managed by a director with at least a bachelor’s degree with experience and specialization.

Third – The divisions of the Commission’s structures and their duties shall be provided for in bylaws to be issued by the Minister of Finance.

#### Article 7

First – The Fund shall enjoy a juridical capacity and shall be represented by the Fund’s Director General or his delegate.

Second –

A – The Fund shall be chaired by a Director General with at least a bachelor’s degree and specialized experience, nominated by the Commission’s President and appointed by the Law.

B – The Director General shall be assisted by an assistant Director General with at least a bachelor’s degree with experience and specialization.

C – The Director General may devolve some of his powers to an employee of the Fund.

Third –

The Commission may open one or more branches for the Fund in Baghdad and the governorates not incorporated in a region, and the branch shall be at the level of a division and managed by an employee with at least a bachelor’s university degree with specialized experience.

Fourth –

The Fund shall undertake the following duties:

A – Calculate the pension contributions and collect them.

B – Dispense the pension entitlements for retired employees.

C – Invest, develop and maintain the Fund’s assets.

#### Article 8

First – The Fund shall have a board consisting of:

- A. President of the National Pension Commission as Chair
- B. Director General of the Fund as Deputy Chair
- C. Director General of the Legal Department at the Ministry of Finance as a member
- D. Director General of the Budget Department at the Ministry of Finance as a member
- E. Representative of the Ministry of Defense, no less than Director General in rank, as a member
- F. Representative of the Ministry of Interior, no less than Director General in rank, as a member
- G. Representative of the Ministry of Planning, no less than Director General in rank, as a member
- H. Representative of the Ministry of Labor and Social Affairs, no less than Director General in rank, as a member
- I. Representative of the Iraqi Central Bank, no less than Director General in rank, as a member

Second – The Board may seek the assistance of specialist experts to attend its meetings without having the right to vote.

Third – The board shall have the following duties:

- A. Set the Fund's general policy
- B. Draft the administrative, financial, regulatory and technical plans necessary to facilitate the Fund's activities and fulfill its goals.
- C. Monitor the implementation of the Fund's policy and plans.
- D. Maintain, manage and invest the Fund's assets in accordance with the law.
- E. Prepare and discuss the closing accounts and annual report of the Fund and submit them to the Ministry for ratification.
- F. Set the annual plans and budgets and determine what has been achieved of them.
- G. Propose the amendments to the Fund's administrative structure.
- H. Propose opening branches for the Fund in the governorates.

Fourth – The Board may delegate some of its duties to the Director General.

Fifth – The Board's meetings, quorum and decision and recommendation making shall be determined in accordance with bylaws issued by the Minister of Finance in accordance with the proposal of the Commission's President.

Sixth – Remunerations for the Board members and experts shall be determined by a decision of the Minister of Finance.

#### Article 9

First – The Fund's revenues shall consist of the following:

- A. Pension contribution amounts deducted monthly from State employee wages and employees mandated with a public service.
- B. State's monthly contribution in the amount of (15%) fifteen percent of the employee's salary.
- C. Pension contribution amounts paid by the employee or pensioner for services added for purposes of Pension.
- D. Funds resulting from investing the Fund's assets.
- E. Fines and fees imposed in accordance with the provisions of this Law.
- F. Pension pensions paid as an exception to the provisions of this Law, for those who retired after 1/1/2008, refunded by the Ministry of Finance to the Fund annually.
- G. Grants and assistance allocated by the Ministry of Finance to the Fund.
- H. Donations and grants from inside and outside Iraq, in accordance with the Law.

Second – The Fund's accounts shall be subject to the financial oversight and auditing of the Federal Board of Supreme Audit.

Third – The Ministry of Finance shall allocate an annual grant to the Fund, the amount of which shall be determined in coordination between the Fund's Board and the Budget Department at the Ministry of Finance, to cover any financial crises that may be faced by the Fund.

Fourth – The Ministry of Finance shall provide for the financial, real estate and human resources for the Fund's staffing formations.

## Chapter Five

### Pension

#### Article 10

Employees must be pensioned in either of the following two cases:

First – Upon completing the age of (63) sixty-three. This is the legal age for Pension regardless of duration of service, unless the law indicates otherwise.

Second – If the formal competent medical committee decides the employee is not fit for service.

#### Article 11

The Prime Minister may, on the recommendation of the competent minister, the president of an entity not affiliated with a ministry, or the governor, extend the employee's term of service for a maximum duration of (3) three years upon completing the legal age for Pension, taking into account the rarity of the competency, type of job, and the department's need for his/her services.

#### Article 12

First – The employee may request a Pension if he has completed (50) fifty years of age or had a service Pension that is no less than (25) twenty-five years of service.

Second – A married, widowed or divorced female employee with custody of her children may request Pension according to the following conditions:

A – Her service Pension is no less than (15) fifteen years of age.

B – The number of her children is no less than (3) three and none of her children are over (15) fifteen years.

C – She is dedicated to looking after her children.

Third – The competent minister or president of an entity not affiliated with a ministry may retire employees of self-financed companies (State-Owned Enterprises "SOEs") and departments that have been recording losses for (3) three consecutive years if they have a service of at least (15) fifteen years, as an exception to the age requirement.

Fourth – The competent minister, president of an entity not affiliated with a ministry, the governor, or whoever either of them may delegate shall decide on the request for Pension submitted in accordance with the provisions of items "First" and "Second" of this Article within (45) forty-five days as of the date the request is logged by his office. When no decision is made on the request, the employee shall be considered retired with the conclusion of this period and shall merit the Pension entitlement provided for in accordance with the provisions of this Law.

#### Article 13

The removal of the employee from his post, dismissal, relinquishment or resignation shall not cause the employee to lose his pension rights. The pension shall only be paid if the employee has completed (50) fifty years of age and has a service Pension that is no less than (20) twenty years. In all circumstances, the pension shall not be paid for the period preceding his completion of the designated age.

#### Article 14

First – The employee appointed pursuant to a presidential decree or an order of the cabinet, prime minister or House of Representatives’ presidency shall be pensioned in the manner by which he was appointed.

Second – The employees appointed by means other than those designated in item “First” of this Article shall be retired upon completing the legal age, or for health-related reasons by a decision of the competent minister or the president of the entity not affiliated with a ministry.

#### Article 15

First –

If the employee is afflicted during his service with an illness requiring treatment for a long period of time or if the illness is incurable, and the medical committee decides that he is permanently not fit for service, he shall be retired regardless of his term of service.

Second –

The service Pension for employees included in the provision of item “First” hereunder shall be (15) fifteen years. If it is less than this, he shall be exempted from Pension contribution payments for the additional period and the Pension shall be paid regardless of his age.

Third –

The employee, department or entity may challenge the medical committee’s decision before the medical appeals committee within (30) thirty days from the date of notification.

#### Article 16

First – If the work injury leads to (65%) sixty-five percent disability or more, and the employee is retired as a result, his pension shall be calculated in accordance with the provisions of Article (21) hereof, taking the following into account:

A – His service Pension shall be adjusted to (15) fifteen years even if his actual service was less than that. He shall be exempted from Pension contribution payments for the added period.

B – (35%) thirty five percent of the last salary he received while in service shall be added to his pension if the disability percentage is (100%) one hundred percent.

C – The disability percentage shall be multiplied by (35%) thirty five percent of the last salary received while in service and added to his pension if the disability percentage is over (65%) sixty five percent and less than (100%) one hundred percent.

Second – If the employee is injured during his service twice, and the disability for both injuries reached (65%) sixty five percent or more, the pension shall be calculated in accordance with the provisions of Article (21) of this Law, taking into account the provisions of item “First” hereunder.

Third – If the work injury leads to the employee’s death, the pension shall be calculated in accordance with the provisions of Article (21) hereof, taking into account the provisions of item “First” hereunder, regardless of his term of service.



Fourth – The employee included in the provisions of this Article shall be granted a disability award for one time only, to be calculated on the basis of his last salary multiplied by 12 and multiplied by the disability percentage.

Fifth – The employee's department shall send the supporting documents and decision of the medical committee to the Commission once the injured employee or his children request a pension allocation.

## **Chapter Six**

### **Deductions and Service**

#### **Article 17**

First – Pension contribution payments shall be deducted in the amount of (25%) twenty five percent of the employee's salary as follows:

A – (10%) ten percent to be paid by the employee.

B – (15%) fifteen percent to be paid by the treasury.

Second – The Accounting Department at the Ministry of Finance shall deduct the employee's share of monthly contributions when financing the employee salaries, and then it shall add the government's contribution and deposit the amount into the Fund's account.

Third – The self-financed departments and companies (SOEs) shall deduct the Pension contributions designated in item "First" of this Article and deposit them into the Fund's account. If no payment is made, a fine of (3%) three percent shall be imposed on the monthly due payment. The department or SOE shall be considered not compliant with payments if it fails to pay for a period exceeding six months from the due date.

#### **Article 18**

First – The following periods shall be included as part of the service Pension:

A – Actual service of the employee performed in the State for which contributions have been made.

B – The duration the employee stayed out of service calculated for Pension purposes in accordance with the provisions of the amended Politically Dismissed Persons Law No. 24 of 2005, after the employee's share of monthly contributions was collected in accordance with the provisions of item "First" of Article 17 of this Law, on the basis of the minimum salary due for the academic certification attained on the date of reinstatement. The Ministry of Finance shall allocate these funds as part of the annual Federal Budget.

C – (1) The term of military service, term of actual movements, and term of service calculated according to the (disbanded) Coalition Provisional Authority Order No. 91 of 2004, and the term of service for employees in the regional departments, institutions and ministries for purposes of Pension when serving in federal departments, institutions and ministries. This requires that contributions are collected for all calculated years of service and on condition of reciprocity by the regional departments, institutions and ministries with regard to service at federal departments, institutions and ministries.

(2) Duration of formal undergraduate and graduate university studies for military personnel and internal security forces personnel that are concluded with the attainment of a degree before

enrolling in this service, provided this period does not exceed half of the military service in the army or internal security forces.

(3) For the periods stipulated under points (1) and (2) of this paragraph, the applicant's share of the Pension contribution shall be fulfilled/collected based on the salary for the degree or rank according to which he was appointed based on the salary scale annexed to the amended State Employees and Public Sector Salaries Law No. 22 of 2008. The State contribution for the calculated period shall not be collected.

D – No Pension contributions shall be fulfilled/collected on the accumulated regular leave time exceeding (180) one hundred and eighty days.

E – Pension contributions of (10%) ten percent of the salary on the date of appointment or affiliation shall be collected for the duration of practicing the legal profession designated in accordance with the Law on Calculating the Legal Profession Practice No. 65 of 2007, the duration of practicing the journalism profession designated according to the provisions of the Journalist Rights Law No. 21 of 2011 and the fulltime agricultural work duration. Contributions may not be paid for the calculated period in the event that they are paid to the Pension Fund affiliated with the relevant unions or professions. The union or similar entity shall abide by paying all contributions made for the years calculated to the Pension Fund at the Pension Commission.

F – The contract duration in the State for temporary employees after 9/4/2003: The employee's share of Pension contribution shall be (10%) ten percent of the monthly wages. The employee's department shall pay the State's contribution share totaling (15%) fifteen percent of his wages.

G – The duration of service by the employee who completed the legal age for Pension once it is extended in accordance with the provisions of Article 10 of this Law.

Second –

A – The appointed or reinstated employee may request to include his actual service preceding the date of appointment performed at the State departments before the entry into force of this law, after paying contributions for this service if they have not been paid already.

B – Pension contributions shall be paid in the case provided for under paragraph A of this item in accordance with the provisions of this Law on the basis of the employee's salary upon his appointment or reinstatement.

Article 19

First – If the employee's service is seconded to a non-Iraqi entity or an entity outside the control of the State, and the salary was received from that entity, then such entity shall collect the Pension contributions from his salary in accordance with the provisions of this Law. The employee whose services are seconded may contribute his share and the share of the seconding entity of Pension contributions in accordance with the provisions of this law for the purposes of calculating his service.

Second – The employee who has left his service, resigned from it, or who was retired and did not receive any pension rights for his job service may add the service performed for the State to his subsequent service for the private sector. The Commission shall supply the Workers Pension and Social Security Department with the details of his services and payments of the Pension contributions deducted from his salary, along with the State's contribution.

Third – The employee may request adding his guaranteed service Pension - which he performed for the private sector, and for which he has not received any pension rights from the Workers Pension and Social Security Department, to his service Pension resulting from the job services, provided that such addition shall not exceed half of his job service actually performed for the State. The Workers Pension and Social Security Department shall supply the Commission with the details of his services and payment of the contribution amounts deducted from his pay, along with the employer's contributions. The employee shall bear the difference between the contribution amount and the Pension contributions amount, with the State contribution calculated on the basis of his salary on the date he applied for inclusion of his service.

Fourth – The employee or pensioner requesting to add his service may pay the amount of Pension contributions and the State contributions if they could not be paid.

Fifth – The amount of Pension contributions to be paid by the pensioner for the period of service calculated may be paid in equal monthly installments at the request of the pensioner in the amount of a quarter of his monthly salary after adding (3%) three percent from the original sum of Pension contributions. These must be paid within (5) five years from the date of the Commission's decision to calculate the service.

#### Article 20

First – The following shall not be considered service Pension for the purposes of this Law:

A – Any term of service for which no Pension contributions were paid in accordance with the provisions of this Law.

B – Periods of absences and vacations without pay and periods following the date of final penal decisions preventing employees from remaining in service.

C – Durations of arrest that are considered part of the detention or imprisonment or period.

D – Employee's duration of service before completing (18) eighteen years of age unless the law stipulates otherwise.

E – Duration of service after completing the legal age for Pension as stipulated in item "First" of Article 10 of this Law.

Second – The duration of vacation shall be calculated at half pay and the duration of temporary suspension from duty at half a service Pension.

Third – The Commission may not accept the duration of service as service Pension, unless it is proven by official documents or records.

### **Chapter Seven**

Allocation and calculation of pension rights

#### Article 21

First – The retired employee shall merit a pension (an annuity) if he has a service Pension no less than (15) fifteen years, and the pension shall only be paid if he completes (50) fifty years of age. In all cases, it shall not be paid for the period preceding the date of completing the designated age, with the exception of death, martyrdom, Pension for health reasons and those who retire/are retired in accordance with the provisions of item "Second" of Article 11 of this Law.

Second – The pension shall be calculated as follows:

The output of multiplying the salary with the number of Pension years multiplied by the accumulative percentage 2.5%

Pension = Salary average x 2.5 x (Number of service months/12)

100

Third – The duration of service that is less than (6) six months shall be considered one full year for the purposes of coverage by the provisions of this Law.

Fourth –

A – The minimum pension for the pensioner shall be 400,000 dinars, four hundred thousand dinars, including living allowances.

B – As an exception to the provisions of paragraph A above, the minimum pension for the pensioner who is retired for completing the legal age (63) years of age, the employee retired for health reasons or the pensioner who is supporting two family members or more shall be (460,000) four hundred and sixty thousand dinars monthly, including living allowances.

Fifth – The pension may not exceed (100%) one hundred percent of the last salary earned by the employee in the service Pension, unless there is a provision that stipulates otherwise.

Sixth -

With the exception of the provisions of item “First” of this Article, the retired pensioner for completing the legal age (63) with a service Pension that is no less than (10) ten years and less than (15) fifteen years of age may choose for one time between receiving a Pension award or a monthly lump sum as follows:

1. If the Pension service is no less than (10) years, an amount of (150) thousand dinars.
2. If the Pension service is no less than (11) years, an amount of (200) thousand dinars.
3. If the Pension service is no less than (12) years, an amount of (250) thousand dinars.
4. If the Pension service is no less than (13) years, an amount of (300) thousand dinars.
5. If the Pension service is no less than (14) years, an amount of (350) thousand dinars.

Seventh – If the employee included in the provisions of Articles 13/First and 13 of this Law passes away after concluding his service, and he had a service Pension no less than (15) fifteen years of age, his descendants shall merit the pension from the date of his death, even if the death occurred before completing (50) fifty years of age.

Eighth – The employee and his descendants in the event of martyrdom or injury may choose to calculate his pension rights in accordance with the provisions of this Law and any other law granting better pension rights.

Ninth – The employee retiring for completing the legal age, at his request or for health reasons, with a service Pension that is no less than (30) thirty years, shall merit an end of service award which is calculated based on the last full salary and allowances multiplied by 12.

Tenth – A – The service Pension for former Iraqi army personnel and the disbanded entities shall be calculated for those with a service Pension no less than (15) fifteen years of age according to the valid legislation at the time of disbandment.

B – The provisions of paragraph A of this item shall apply to employees included in the Coalition Provisional Authority (disbanded) No. 91 of 2004 (regulating the armed forces and militias in Iraq) who were no longer in service in the State after 9/4/2003.

Eleventh – The pensioner may not be paid more than a single pension earned in accordance with more than one law and may choose, for one time only, the better pension.

Article 22 –

First – A – The employee with a service Pension less than (15) fifteen years shall earn the Pension award calculated as follows:

The last salary received in the service Pension \* 2 \* number of service years.

B – The fractions of the year that are no less than (6) six months shall be considered a full year for the purposes of calculating the Pension award.

Second – The pensioner may not merit, after receiving the Pension award, any service Pension. His right to it shall be waived unless he is reinstated in a Pension -covered position.

Third – The provisions of this Article shall apply to the personnel of the former Iraqi army and the disbanded entities with a service Pension less than (15) fifteen years of age, provided that the award is calculated based on the minimum salary for the job degree or rank according to the salary scale valid at the time of the award's payment.

## **Chapter Eight**

Reinstatement of the pensioner

Article 23

First – If a former employee is reinstated after receiving a Pension award in accordance with any Pension law in any Pension -covered position, his service for which he received the award shall be calculated for the purposes of Pension after refunding the amount of the award and paying the difference of Pension contributions, calculated on the basis of the salary on the date of the request for addition of the service.

Second – The amount stipulated in item "First" of this Article may be paid in equal installments in the amount of (1/5) one fifth of the salary with (3%) three percent added to it, provided that all installments are paid within (5) five years from the date that the installment decision is issued by the Commission.

Third – If the employee who is reinstated to service or returned to Pension before the payment of the Pension award passes away, the award shall be collected from his pension or the pension of his descendants in the amount of (1/5) one fifth of the pension, or from the Pension award, if it becomes due to him according to the provisions of this Law.

Article 24 – First –

A – In the event of reinstating the pensioner in a Pension -covered position, the pension shall be suspended. The pensioner reinstated in the State shall merit the salary, monthly award or allocations due for the job in which he is reinstated. The pension shall be suspended and the two may not be combined. The employee must choose between the pension while remaining in his position without receiving the job's salary, allocations or monthly award.

B – The pensioner and department in which he is reinstated shall notify the Commission within (90) ninety days from the day of reinstatement, otherwise, the reinstated pensioner will be subject to a fine of (3%) three percent of his pension for every month of delay, if no notice was given in the first year. This percentage shall be doubled if the period exceeds one year.

Second –

The retired employee shall, after reinstatement, merit the pension rights in accordance with the provisions of this law after adding the last service Pension to the previous service Pension. The last pension may not be less than the pension on the date of reinstatement or the pension of his peers with a similar rank and service who was not reinstated.

## **Chapter Nine**

### **Descendants' Pension**

Article 25 –

First –

If the employee dies during his service for any reason, his Pension -covered service shall be considered (15) fifteen years, even if it was less than that. The added service shall be exempted for Pension contributions.

Second –

If the employee or pensioner passes away, his Iraqi descendants meriting the pension may request the allocation of their testator's pension rights on the date of his death.

Third –

If the temporary employee dies during his service or as a result thereof, his eligible descendants shall merit the pension share provided for hereunder.

Article 26 –

First –

The descendants/successors of the deceased meriting the pension are:

- A. Husband or wives
- B. Son
- C. Daughter
- D. Mother
- E. Father
- F. Brother or sister if the deceased is single with deceased parents

Second –

For the descendant to deserve the pension share, he must not be receiving a salary or pension, and must be without a private source of income, profession or position in the private sector, as follows:

- A. The son or brother up until the age of (18) eighteen years up until the age of (22) twenty-two, if he is continuing with his high/secondary school studies, or up until the age of (26) twenty-six of age if he is continuing with his university or higher diploma studies.
- B. The daughter or sister if she is unmarried and has no Shari'a provider.

- C. The wife, if she is not married.
- D. The husband or father if he has a complete and permanent disability rendering him unable to make a living. For this purpose, any one above the age of (63) sixty-three shall be considered a disabled person.

Third –

The husband or father shall be exempt of item “Second/D” of this Article if the individual for whom he is requesting pension rights was martyred as a result of a terrorist act or covered by the provisions of the Law Compensating Victims of War Operations, Military Mistakes and Terrorist Operations No. (20) of 2009 or any substitute law.

Fourth – The pension share shall be paid to the son after the periods designated in paragraph “A” of item “Second” of this Article if he has a permanent and complete disability preventing him from making a living based on the report of the medical committee. Such a medical examination shall be repeated every (5) five years. The Pension share shall be suspended if has a private source of income. The disability taking place after the age of (50) fifty shall not be taken into consideration.

Fifth –

Taking into account the conditions for merit provided for in item “Second” of this Article, payment of the due Pension share shall continue to be made to the son or daughter of their deceased mother, even if their father is alive.

Sixth –

If the pensioner passes away with due pension rights that have not been paid to him prior to his death, and there is no descendant eligible the pension, it shall be dispensed as an estate/bequest according to the Sharia (Islamic) inheritance system.

Seventh –

The Commission shall verify the fulfillment of conditions in people requesting the family Pension annuity or Pension award every (5) five years pursuant to instructions issued for this purpose.

Article 27

First – The Pension share shall be suspended for the wife, daughter or sister upon marriage or appointment, and shall be reinstated in the event of divorce or widowhood, taking into account the fulfillment of merit conditions detailed under Article 26 hereunder.

Second – The Pension share shall be conclusively suspended from the descendants upon appointment in a Pension -covered position, whether a pension is due or not.

Article 28

First – Upon the death of the employee or pensioner, the pension shall be divided among the eligible descendants as follows:

A – (80%) eighty percent if it is a single eligible descendant.

B – (90%) ninety percent if there are two descendants, divided equally between them.

C – (100%) one hundred percent if it is three or more descendants, divided equally among them.

Second – The Pension shares shall be redistributed among the eligible descendants according to item “First” of this article upon the suspension of the share of any of them for any reason.

Third – If the descendant is a pensioner, he may choose for one time only to retain his pension or receive the larger Pension share which is merited in accordance with the item “First” of this Article.

Fourth – A – The eligible descendant may not receive more than one Pension share and may choose the larger one for one time only.

B – Minors and like individuals who merit the Pension share from their deceased parents shall be exempted from the Article “A” of this item, along with enrolled students according to the conditions outlined in item “Second” of Article 26 hereof.

## **Chapter Ten**

### Challenges

#### Article 29

First –

A Council called the “Pensioner Issues Audit Council” shall be formed to hear the challenges submitted against the Commission’s decisions, comprising:

A – Judge with a minimum classification of “second class”, to be nominated by the Supreme Judicial Council – Chair

B – A legal professional representing each of the following entities with a job title no less than a director - Members

- (1) Ministry of Defense
- (2) Ministry of Interior
- (3) Ministry of Finance.

Second –

The decisions of the Council shall be taken by a majority vote. In case of a tie, the Chair has the casting vote.

#### Article 30

First –

Stakeholders or their legal representatives may challenge the decision before the Council within ninety days from the date of notification of the Commission’s decision.

Second – A – The challenging (challenger) party shall be charged a lump sum amount of (5000) five thousand dinars.

B – The amount of the fee provided for in paragraph A of this item shall be refunded to the individual submitting the challenge if the challenge is valid by a final decision of the Council. Otherwise, it shall be recorded as revenue for the Fund.

C – The provisions of this item shall not apply to the challenges submitted before the entry into force of this Law.



Third – The challenging (challenger) and the challenge parties, or their legal representatives, may object the Council’s decision before the Federal Court of Cassation within (60) sixty days from the date of notification. The decision of the Council that is not challenged and the cassation resolution issued as a result of the challenge shall be considered final.

## **Chapter Eleven**

Denial of the pension

Article 31 –

First – The pensioner shall be denied all pension rights provided for in this Law if he is sentenced to death or imprisonment and the decision has become a final one. The descendants of the eligible individuals shall be paid, subject to suspension, and reinstatement following their release due to the invalidity of the penal case. The period between the date of detention and enforcement of the death penalty shall be considered a period of imprisonment.

Second –

The pension rights shall not be dispensed to fugitives wanted for cases relevant to State security, crimes of terrorism or crime provided for in the Higher Iraqi Criminal Court Law. The courts, members of the judicial force and the other competent entities shall inform the Commission to this effect.

## **Chapter Twelve**

General closing provisions

Article 32

First – The Commission shall have an independent budget that includes the operational costs of its structures, financed from the State’s general budget.

Second – The State’s general budget shall cover the following:

- A. The pension rights of pensioners prior to 1/1/2008.
- B. The pension rights merited as an exception to the provisions of this Law.
- C. The end of service award.

Third – The State Employee Pension Fund shall cover the following:

- A. Pensions of retired employees after 1/1/2008.
- B. Pension award, lump sum, and vacations award.

Article 33

First – Pension rights shall not prescribe as long as the pensioner or descendant who has not lost the conditions of entitlement is alive.

Second – Pension rights may not be waived for natural or juridical persons, and every waiver of this type shall be considered null and void.

Third – Pension rights may not be garnished as a result of a debt incurred by the pensioner, except in one of the following cases:

If the debt was the result of alimony.

If the debt was due to the State budget.

Fourth – No more than 50% of the pension rights may be attached/sequestered for any reason.

#### Article 34

First – The document on the basis of which the appointment or age confirmation took place shall be the supporting document used for purposes of confirming the real age of the employee or the pensioner. No judicial or administrative correction issued after this shall be accepted.

Second – As an exception to the provisions of Item “First” of this Article, the minister, president of an entity not affiliated with a ministry, or governor may use the end of the calendar year as a birth date instead of 1/7 of that year.

#### Article 35

First –

The provisions stipulated in this Law shall apply to all matters that develop with regard to the status of the pensioners and their descendants from the date of its entry into force. The rights granted or duly assessed for those who were retired or left the Pension -covered position or granted to the family before this Law’s entry into force, shall be final unless a special provision in this Law stipulates otherwise.

Second –

The pensioner or descendant must notify the Commission in writing of any changes to the job, professional or family status that may occur, and anything else that may have an impact on their service and pension rights, within (120) one hundred and twenty days from the date of the change. If no notification is given and sums of money are ill acquired, a fine shall be imposed in the amount of (5%) five percent of the amounts spent. The fine shall be recorded as revenue in the Fund’s account.

Third – The pension for retired pensioners before the entry into force of this Law or their descendants shall be recalculated in accordance with the pension calculation formula provided for in Article 21 of this Law, as follows:

1. For civil pensioners in the first employment degree or below, the pension shall be calculated on the basis of the salary of the first phase of the pensioner’s employment degree according to the salary scale annexed to the amended State and Public Sector Employees Salaries Law No. 22 of 2008 or any law replacing it. The last salary on the date of Pension shall be used in the pension recalculation if it is more than that of the first phase of the retiree’s employment degree.
2. For military and security forces pensioners, the pension shall be calculated based on the ranks provided for in the amended laws No. 3 of 2010 and No. 18 of 2011. The last salary on the date of Pension shall be used when recalculating the pension if it is more than that of the rank.

Fourth

As an exception to the provisions of Article 21/Second of this Law:

- A. The judge and member of public prosecution or his descendant shall be due a pension in the amount of (80%) eighty percent of the last salary and allowances he received while in service

at the time of Pension (provided that the allowances do not exceed 150% of the salary) in any of the following cases:

- i. If he is retired for completing the legal age for Pension.
- ii. If he is retired for health reasons as a result of being unable to perform his duties in accordance with the medical committee's report.
- iii. If he passes away while in service, regardless of the period of service and age.
- iv. If he is retired at his request and he had been in service in the judiciary or public prosecution for no less than (30) thirty years.

B. The provisions of paragraph A of this item shall apply to the president and members of the supreme federal court, the president, deputies and members of the cassation court, the judges and public prosecution members who retired before its entry into force, and their descendants, with the exception of judges and members of the public prosecution who worked in private and extraordinary courts established by the former Baathist regime.

Fifth – As an exception to the provisions of Article (22/second) of this Law:

- A. The university service employees and their descendants shall be due a pension in the amount of (80%) eighty percent of the nominal salary and allowances received (provided that the allowances do not exceed 200% of the salary) upon Pension, in any of the following cases:
  - i. If he is retired as a result of reaching the legal age and has a service Pension that is not less than (25) twenty-five years, including at least (10) ten years of university service.
  - ii. If he is retired for health reasons as a result of inability to perform his duties in accordance with a decision by the competent medical committee, regardless of service duration or age.
  - iii. If he is retired at his request and had an actual university service that is no less than (20) twenty years.
  - iv. If he passes away while in service, regardless of the period of service and age.
- B. The service of bachelor's degree holders appointed by universities, commissions and the ministry headquarters (Ministry of Higher Education and Scientific Research) shall be included as university service for purposes of Pension from the time of appointment after earning a master's and doctorate degree, provided that he serves ten more years at least before reaching the legal age for Pension, which is not less than twenty-five years.

Sixth – As an exception to the provisions of Article (21/Second) of this Law:

- A. On Pension, the ambassador shall merit a pension in the amount of (80%) eighty percent of the salary and allowances earned by his peers at the ministry headquarters (provided that the allowances do not exceed 100% of the salary) in any of the following cases:
  - i. If he is retired due to reaching the legal age with a service no less than (25) years.
  - ii. If he is retired for health reasons as a result of inability to perform his duties in accordance with a decision by a competent medical committee, regardless of service duration or age.
  - iii. If he passes away while in service, regardless of the period of service or age.
- B. The provisions of paragraph A of this item shall apply to the retired employees before the entry into force of this Law, and who have occupied their positions after 9/4/2003.

Seventh – The director generals in all State departments shall merit a pension that does not exceed 80% of the total of the last salary and allowances received in accordance with the provisions of this Law.

Eighth – A livelihood allowance of (1%) one percent of the pension shall be paid for every year of service. This shall not include pensioners receiving a pension based on the total salary and allowances.

Ninth – Allowances for the degrees below or their equivalent, received before or during the job, shall be granted according to the following percentages of the pension:

- A. Diploma - degree allowances of (5%) five percent.
- B. Bachelor's degree - degree allowances of (10%) ten percent.
- C. Higher diploma and master's degree - degree allowances of (15%) fifteen percent.
- D. Doctorate degree, degree allowances of (20%) twenty percent.

#### Article 36

First – Pensions shall be increased by a Cabinet decision whenever the annual inflation rate increases, provided that the increase does not exceed the inflation rate.

#### Article 37

First – As an exception to the provisions of Article 21 of this Law, the pension of the (President of the Republic, Speaker of the House, Prime Minister, and their deputies, members of the house of representatives, ministers, and others of their rank, members of the governing council and their deputies, members of the Provisional National Council, president and members of the Transitional National Assembly, deputy ministers and others of their rank, employees with the salary of the deputy minister, advisors, employees of a special ranks/degrees, and employees of the degree/rank of director general and employees with the salary of director general) shall be calculated in cases of retire Pension ment, death and resignation with the approval of the competent authorities, as follows:

1. (25%) twenty five percent of the last salary (salary, remuneration or wage) and allowances received while in service.
2. A percentage of (2.5%) two and a half percent of the last (salary, remuneration or wage) and the allocations for every year of service shall be added, provided that they do not exceed 80% of it.

Second – The provisions of item “First” of this Article shall apply to the retired judges and members of public prosecution in the Iraqi High Criminal Tribunal.

Third – The individuals covered in the provisions of items (First and Second) of this Article who were State employees may return to their original jobs, and their resignation shall be considered voided, with the service provided for above included for purposes of raises, promotions, and Pension. The competent authorities shall ensure the required degree/rank and they may choose between the pensions provided for in item “First” or the salary of the job that they are reinstated in.

Fourth – The provisions of items (First and Second) of this Article shall apply to retired individuals before the entry into force of this Law, and to those who occupied their positions after 9/4/2003.

## Article 38

First – All legal provisions in the legislation and orders, providing for pensioners' or their descendants' pension rights (pensions or remunerations/awards), in violation of the provisions of this Law, shall be null and void, including:

1. Legislative Order No. 9 of 2005, amended by Order No. 31 of 2005.
2. Provisional National Council Law No. 14 of 2005.
3. Independent High Electoral Commission No. 11 of 2007, amended.
4. National Assembly Law No. 3 of 2005, amended.
5. House of Representatives Law No. 50 of 2007.
6. Foreign Service Law No. 45 of 2008.
7. Law on Governorates Not Organized in a Region No. 21 of 2008, amended.
8. University Service Law No. 23 of 2008, amended.
9. Legislation on the Pension of judges (disbanded Revolutionary Command Council Resolution No. 1021 of 1983, Revolutionary Command Council Resolution No. 120 of 1997, Resolution No. 145 of 2001, Order No. 54 of 2004, the amended Law on Salaries of Judges and Public Prosecutors No. 27 of 2008, the amended Iraqi High Criminal Tribunal Law No. 10 of 2005, and the Supreme Federal Court Law).
10. Special provisions on Pension provided for in the Employees Health Disability Law No. 11 of 1999.

Second – The following shall be exempted from the provisions of item "First" of this Article:

- A. Martyrs Foundation Law No. 3 of 2006, amended.
- B. Foundation of Political Prisoners Law No. 4 of 2006.
- C. Law Compensating Victims of War Operations, Military Mistakes and Terrorist Operations No. 20 of 2009.

Third – The director of the sub-district, members of local councils, districts and sub-districts, and municipal councils (blocks and neighborhoods) with a service Pension no less than (15) fifteen years shall merit a pension calculated on the basis of the salary (first phase) of the second degree in accordance with the salary scale annexed to the amended State and Public Sector Employees Salary Law No. 22 of 2008, or to any other law replacing it, and on the basis of the percentage provided for in the item "Second" of Article 21 of this Law, without prejudice to their right to a larger pension in view of their job service and position in the public office cadre. For employees with a service greater than (4) four years, the minimum salary provided for in accordance with the provisions of this Law shall be paid. The provisions of this Law shall not apply to the following terms.

## Article 39

First – As an exception to the provisions of this Law and following the recommendation of the President of the Republic or Prime Minister and the ratification of the House of Representatives, a pension not to exceed (2,000,000) two million Iraqi dinars shall be allocated for Iraqi national symbols or their descendants provided for in this Law in the event of their death, unless they have a salary from the State or their pension was less than two million dinars. The standards and mechanisms for selecting national symbols shall be determined in bylaws.

Second – The provisions of item "First" of this Article shall apply to Iraqis or their descendants in the event of their death or complete disability as a result of their national stands.

Third – The Cabinet may amend the pension amount provided for in this Article in view of the inflation rates.

#### Article 40

First – The Unified Pension Law No. 27 of 2006 shall be voided and the rights, obligations, assets and staff of the National Pension Commission shall be transferred to the Commission formed pursuant to the provisions of this Law.

Second – The rights and obligations of the State Employee Pension Fund formed in accordance with the Unified Pension Law No. 27 of 2006 as well as its assets and staff shall be transferred to the Fund provided for in this Law.

Third – The bylaws (regulations) and instructions shall remain valid unless they contradict the provisions of this Law, until bylaws and instructions are issued to replace or void them.

Fourth – The enforcement of the provisions of this Law shall not result in the payment of any differences vis-à-vis the period preceding its enforcement.

#### Article 41

The Minister of Finance shall issue instructions to facilitate the enforcement of this Law.

#### Article 42

This Law shall be published in the Official Gazette and enforced as of 1/1/2014.

#### **Rationale**

This Law was promulgated to improve the livelihood conditions of pensioners, encourage work in the private sector through facilitating the transfer of benefits between the public and private sectors, expand the base of the law's coverage to include more groups, ensure justice for the martyrs of terrorist operations and their families, including army and police personnel, and reduce the differences between the pensioners.