

BIG STORY
big story

Govt's pension reform proposals 'frustrating'

Lawmakers vow 'no compromise' on proposals that could go against the interests of citizens

● The Cabinet, next week, is expected to discuss the proposal in order to strike an agreement between the Legislative and Executive branches.

● According to the government's vision, the minimum age for retirement should be 55 years beginning 2023, applicable for both male and female employees.

TDI|Manama
Thamer Tayfour

A number of MPs continue to reject the Government's views on amending the retirement law, stressing that they wouldn't allow anything against the citizens' interests.

MP Adel Hameed told Tribune that there is a parliamentary consensus on rejecting any amendments to the Pension Law that are not in the interest of citizens, and that the government's vision of reforming the pension system is frustrating and should not be passed.

He pointed out that the government's amendment proposals haven't come at the right time. "There is an increase in the prices of goods and taxes on the citizens. This situation leads to frustration, and everyone should wait before imposing any law that affects the income and finances of people."

Mr Hameed, a member of the joint parliamentary committee of the Parliament and Shura Council, revealed that the committee will present its views to the Government on Wednesday and that these views will be presented in a written format.

Mr Hameed stressed the need to return the proposals to the House of Representatives (Parliament) before the adoption of any amendment to the Pension System because it is of utmost importance and something that affects all citizens and their lives.

On Sunday, the government presented a copy of the government's official vision to the Parliament and Shura Council on the public and private pension system. The government's vision includes gradually raising the early retirement age within next five years.

According to the government's vision, the minimum age for retirement should be 55 years beginning 2023, applicable for both male and female



The joint committee meeting was the first step towards consensus on pension reforms.



“With increasing cost of living, the proposals are against the interests of citizens.”

MR HAMEED



“How can we agree to something that could be detrimental to 90pc of employees?”

MR AL DOSARI

2,000
Bahraini dinars has been agreed upon as the maximum pension cap.

employees.

The vision includes the re-insurance for foreigners in the public and private sectors, in order to increase the solvency of pension funds, aiming to guarantee its sustainability.

It also proposes to limit the annual increase in pensions to only seven years after the retirement, which means the pension-

ers will have tough time after that dealing with inflationary pressures.

According to the government's vision, the new amendments to the pension law will cover 90 per cent of existing employees in the private and public sector while 10pc of employees who completed 25 years of service in the private sector

are to be excluded.

For his part, MP Hamad Al Dosari told Tribune that members of the House of Representatives will meet on Wednesday to discuss the government's views on the law of retirement, stressing that they will reject anything that would adversely affect the earnings of citizens.

The proposal to unify the re-



The joint committee has agreed to make no changes to housing allowances.

tirement age for both men and women at 55 years before gradually increasing it to 60 years is totally unacceptable as it would badly affect citizens' lives.

"How can we agree to something that could be detrimental to 90pc of employees? Why the annual increase in pension be limited to only seven years? These are unacceptable things." At the last meeting of the joint

committee of the members of House of Representatives, the Shura Council and the Government, it was decided that the cap for inflation support be fixed at BD1,200.

The committee had also agreed to set a BD2,000 limit on pensions in the interest of benefitting the pensioners.

With regard to the financial support, the committee agreed on four conditions; BD150 allowance for those earning less than BD300 in pension; BD100 in allowance for pensioners earning between BD301 and BD700; BD75 for the BD701-BD1,000 category and BD50 in allowance for the above category earning up to BD1,200.

Meanwhile, when it comes to housing allowances, the committee has agreed to make no changes in the eligibility criteria.

The Cabinet next week is expected to discuss the proposal in order to strike an agreement between the Legislative and Executive branches.



The earlier draft had already been rejected by the House of Representatives.