

**Entitlement of Kuwaiti Workers Subject to
Social Security to End-of-Service Indemnity
After Deducting the Insurance Ceiling
Amount of KD 1,500**



The text of Article (51) of Labor Law No. 6 of 2010 stipulates that “... the employer is obligated to pay the net difference between the amounts borne in relation to the worker’s social security contributions and the amounts due for the end-of-service indemnity.” This aligns with the provision in the second paragraph of Article (82) of the Social Security Law No. 61 of 1976, which states: “Employers who are bound by better pension, bonus, or savings schemes are obligated to pay the difference between what they were contributing under those schemes and the statutory end-of-service indemnity, calculated based on KD 1,500.”

The Court of Cassation has set a precedent by consistently ruling in several judgments that the legislator, through the Social Security Law, has set a maximum limit for the insured salary at KD 1,500. Consequently, the end-of-service indemnity owed to the worker must be calculated based on their last comprehensive monthly salary, after deducting the insurance ceiling of KD 1,500. The remaining amount after this deduction is the salary on which the end-of-service indemnity is calculated for Kuwaiti workers, whether in the private sector or the oil sector.

To Illustrate:

- If the worker's comprehensive salary is KD 2,000.
- The insurance ceiling of KD 1,500 is deducted.
- The remaining KD 500 is the amount for which the end-of-service indemnity is calculated.

This calculation applies whether the worker is employed in the private sector or the oil sector and aims to regulate the relationship between what the employer pays for social security contributions and what the worker is entitled to at the end of their service.

In other words, all workers subject to the Social Security Law in both the private and oil sectors are not entitled to any end-of-service indemnity unless their comprehensive salaries exceed KD 1,500. In such cases, the end-of-service indemnity is calculated only for the amount exceeding KD 1,500.

Based on the above, all entities employing workers subject to the Social Security Law must take these provisions into account when calculating the end-of-service indemnity. Entities must comply with the insurance ceiling of KD 1,500 and calculate the indemnity based on the comprehensive salary after deducting this ceiling.

Failure to comply with the provisions of the Labor Law may expose companies to legal liability, as incorrect indemnity calculations are considered a violation of workers' rights as stipulated by law.



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For inquiries or further clarification on how to apply these provisions or any other legal matters related to workers' rights and end-of-service indemnities, please feel free to contact us via email at

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