

**Law by Decree No. 29 of 2018 Concerning the Amendment of the Public Retirement
Law No. 7 of 2005 as Amended**

The President of the State of Palestine

The Chairman of the Executive Committee of the Palestine Liberation Organisation

In reference of the provisions of the Amended Basic Law of 2003, as amended, particularly Article 43 thereunder,

Having reviewed the provisions of the Public Retirement Law No. 7 of 2005 as amended,

Having reviewed the provisions of the Law of Civil Retirement No. 34 of 1959, as amended,

The provisions of the Law of Insurance and Salaries No. 8 of 1964, as amended,

The provisions of the Law of Insurance and Pensions of the Palestinian Security Forces No. 16 of 2004, as amended,

Based upon the recommendation of the Council of Ministers, dated July 24th, 2018,

Based upon the powers bestowed upon me, and

In accomplishment of the public interest,

In the name of the Arab Palestinian people,

I hereby promulgate the following Law by Decree:

Article 1

For the purposes of effecting this amendment, the Law of Public Retirement No. 7 of 2005, as amended, shall be referred to as the Original Law.

Article 2

Article 1 of the Original Law shall be amended by the addition of the following definition:

Previous retirement regulations or laws: The Law of Civil Retirement No. 34 of 1959, as amended; the Law of Insurance and Salaries No. 8 of 1964, as amended; and the Law of Insurance and Pensions of the Palestinian Security Forces No. 16 of 2004, as amended.

Article 3

Article 8 of the Original Law shall be amended by the addition of three paragraphs, bearing numbers 3, 4, and 5, as follows:

1. The periods of service spent in accordance with this Law shall be admissible for retirement.
2. The periods of service admissible for retirement under the previous retirement regulations or laws shall be admissible for retirement.
3. In the event the subscriber is not on duty when this Law enters into force, in such case, the period of his service in accordance with the previous retirement regulations or laws shall be added, regardless of whether it was subject to the Law of Insurance and Salaries, Law of Insurance and Pensions of the Palestinian Security Forces or Law of Civil Retirement, to the period of his subsequent service, whereby he must refund the benefits he earned to the account of the Commission.

Article 4

Article 13 of the Original Law shall be amended so as to become as follows:

“The investment revenues of the Commission, retirement pensions and contributions of various kinds shall be exempt from the income tax”.

Article 5

Article 22 of the Original Law shall be amended by replacing the phrases “three months” and “quarter of the year” provided thereunder, whereby they shall become “a calendar year”.

Article 6

Paragraph 1 of Article 24 shall be amended so as to become as follows:

“1. The Commission shall conduct an actuarial consultative study every five years to re-determine the percentage of contributions and benefits again, taking into consideration the indicators of other systems in order to reach financial equilibrium.”

Article 7

Paragraph 1 of Article 25 shall be amended so as to become as follows:

1. The subscriber shall have the right to obtain pension benefits in accordance with the following:
 - a. An infirmity pension to be assessed on the basis of two (2%) percent for each year of service spent under this Law in accordance with the Defined Benefit System. The years of previous service shall be assessed in accordance with the formula of the Retirement Law, to which the beneficiary was subject before he benefited from this Law. The percentage resulting from the assessment of the years of his service under the Original Law shall be added, provided that, in such case, the Public Treasury affords the payment of pension benefits for the period of his previous service if they are in consistence with the Law of Civil Retirement No. 34 of 1959, as amended. In such case, the Treasury shall not afford the payment of any subscriptions to the Commission for that period.
 - b. Without prejudice to the provisions of Clause (a) of this Article, the subscriber shall have the right to obtain a physical disability pension. In such case, pension benefits shall be assessed on the basis that the years of service admissible for retirement shall be the number of years of actual service up to the date of disability, to which half of the remaining years up to the age of compulsory retirement shall be added. The number of the years of service counted for the purposes of retirement shall not exceed (40) years.
 - c. The mechanism for assessment provided for under Clause (a) of this Article shall be applicable when the pension benefits are assessed for the subscriber in cases where entitlement to the retirement pension is lacking, such as resignation, dismissal from service, or in case of reaching the age of compulsory retirement, and the minimum years are not available to pay the retirement pension.
 - d. In all cases, the retirement pension resulting from the final settlement shall not exceed a maximum limit of (80%) of the average salary of the last three years of service counted for the purposes of retirement. In the cases of physical disability and death, the retirement pension shall not be less than (30%) of the average salary of the last three years of the years of service counted for the purposes of retirement.
 - e. With the exception of the periods of service over two durations, as detailed in Clause (a) of this Article, the provisions of this Law shall be applicable to all of the processes of entitlement to the payment and distribution of the retirement pension, either for the retiree or his successors thereafter.

Article 8

Article 26 of the Original Law shall be amended so as to become as follows:

1. The subscriber, when he is retired on pension for any reason, shall be entitled to the whole sums which have been accumulated in his name in the account mentioned in Paragraph 5 of Article 12 of this Law, including the share of the employee, share of the employer and pension returns. He shall have the right to choose between one of the following alternatives:
 - a. The whole sum as one payment upon retirement.
 - b. A monthly sum as per a timetable to be agreed upon.
2. In case of the subscriber's death, the whole sum of defined contributions (employee's share + employer's share) shall be distributed to his successors in accordance with the certificate of succession.

Article 9

1. Paragraph 1 of Article 29 of the Original Law shall be amended so as to become as follows:

“1. Is under the compulsory age of retirement”.
2. Paragraph 2 of Article 29 of the Original Law shall be repealed.

Article 10

Paragraph 2 of Article 31 of the Original Law shall be amended so as to become as follows:

“2. In case the number of successors entitled to the pension changes, it shall be reassessed and distributed to the remaining successors entitled to the pension in order to preserve equal shares for them in accordance with Table 2 annexed to Article 34 of this Law.”

Article 11

The preamble to Article 110 of the Original Law shall be amended so as to become as follows:

“The years of occupancy of public sector employees and Palestinian security forces, staff of local government units and public institutions, staff of community-based institutions, civil society organisations and private sector, and staff, members and affiliates of professional unions, who are beneficiaries of the provisions of the Public Retirement Law and have served in the institutions of the Palestine Liberation Organisation and its accredited factions, in addition to the years of imprisonment for the prisoners released from the occupation prisons, shall be counted as follows:”

Article 12

A phrase shall be added at the beginning of Article 115 of the Original Law as follows:

“In a manner consistent with the provisions of Article 25 of this Law.”

Article 13

A new article, bearing number 116, shall be added to the Original Law, providing as follows:

“The Public Treasury of the State of Palestine shall afford the financial liabilities of the pension funds in accordance with the Defined Benefit and Defined Contribution Systems in the event such funds are unable to pay them to the beneficiaries and their successors for any reason whatsoever.”

Article 14

Article 118 of the Original Law shall be amended by the addition of Clauses (e) and (f) as follows:

- e. Two retirement pensions may not be combined in accordance with the provisions of this Law or any other retirement law. In the event an entitled successor is entitled to more than one retirement pension, the larger pension shall be designated to him.
- f. Notwithstanding the provisions of any other piece of legislation, the retirement pension shall be assessed for all subscribers on the basis of the average salary of the last three years.

Article 15

All previous pension entitlements which were conducted in accordance with the provisions of the Original Law shall resettled in reference of the provisions of this Law by Decree.

Article 16

All provisions that contradict the provisions of this Law by Decree shall be repealed.

Article 17

This Law by Decree shall be presented to the Legislative Council in the first session it convenes for approval.

Article 18

All the competent authorities, each one within its sphere of jurisdiction, shall implement the provisions of this Law by Decree, which shall enter into force as of September 1st, 2006 after it is published in the Official Gazette.

**Issued in the city of Ramallah on July 30th, 2018 *Anno Domini*.
Corresponding to Thu al-Qi'dah 17th, 1439 *Anno Hegira*.**

Mahmoud Abbas

President of the State of Palestine

Chairman of the Executive Committee of the Palestine Liberation Organisation