

**Law by Decree No. 5 of 2007**  
**Concerning the Amendment of the Law of Public Retirement No. 7 of 2005**

**The Chairman of the Executive Committee of the Palestine Liberation Organisation**  
**The President of the Palestinian National Authority**

Having reviewed the Amended Basic Law of 2003, particularly Article 43 thereunder,  
The Law of Civil Retirement No. 34 of 1959,  
The Law of Insurance and Salaries No. 8 of 1964, as amended,  
The Law of Civil Service No. 4 of 1998, as amended,  
The Labour Law No. 7 of 2000,  
The Law of Social Insurances No. 3 of 2003,  
The Law of Insurance and Pensions of the Palestinian Security Forces No. 16 of 2004,  
The Law of Public Retirement No. 7 of 2005,  
The Law on the Allowances and Remunerations of the President of the Palestinian National Authority No. 18 of 2005,  
The Law on the Remunerations and Salaries of Members of the Legislative Council, Members of the Government and Governors No. 11 of 2004,  
Based upon the recommendation of the Council of Ministers,  
Based upon the powers bestowed upon me, and  
In accomplishment of the public interest,

**I hereby promulgate the following Law by Decree:**

**Article 1**

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

**Article 2**

1. Paragraph (c), Clause 1 of Article 8 of the Original Law shall be repealed and replaced by the following provision: “The employees of the local bodies and public institutions”.
2. Paragraph 2 of Article 8 of the Original Law shall be repealed and replaced by the following provision: “The employees of community institutions, civil society organisations, private sector, workers subject to the provisions of the Labour Law, and employees, members and affiliates of professional unions. Such shall be regulated by a bylaw to be issued forth by the Council of Ministers.”

**Article 3**

The term “government” under Articles 16, 17, 18, 19, 26, and 28 of the Original Law shall be replaced by the term “employer”.

**Article 4**

Article 12 of the Original Law shall be amended for the preamble of the original article shall bear the number (firstly) and the addition of a new paragraph to the mentioned article bearing the number (secondly), as follows:

Secondly: The Public Retirement Administration shall be responsible for managing and supervising all of these accounts. All of the powers vested in any former administration shall devolve thereto. The provisions of the laws in force in this regard shall be implemented in accordance with the provisions of this Law.

## Article 5

Article 18 of the Original Law shall be repealed and replaced by the following provision: “The compulsory contribution by the employer to the defined contributions shall be (3%) and by the subscriber (3%) of the salary. The subscriber shall have the right to contribute any other additional percentages, provided that no such contributions will incur any additional obligations on the part of the employer.”

## Article 6

Article 25 of the Original Law shall be amended as follows:

1. Paragraph 3 shall be repealed and replaced by the following provision:  
“In the case of death, the retirement pension shall be distributed to the entitled successors in accordance with the Table provided for under this Law. If the subscriber dies during actual service, the retirement pension shall be assessed in accordance with the bases approved for the assessment of the salary of physical disability set forth under Paragraph 1, clause (b) of Article 25 of the Original Law. The retirement pension shall be distributed to the entitled successors in accordance with the Table provided under this Law.”
2. Paragraph 4 shall be repealed and replaced by the following provision:  
The insurance sums paid by the Commission to subscribers under this Law or to the entitled persons on their behalf shall be due in the following two cases:
  - a. Death of the subscriber while in service before he attains sixty years of age. In such case, the sum shall be paid to the legal successors or those appointed by the subscriber before his death.
  - b. Termination of the subscriber’s service before he attains sixty years of age by reason of physical unfitness if it arises from a permanent disability in accordance with a medical committee issued in advance of the decision on the termination of service.
  - c. In both cases, the insurance sums shall be equivalent to the percentage of the annual salary based upon age in accordance with Table 1 under Article 25 of the Original Law.
3. A new clause shall be added thereto after Clause 6, bearing number 7, as follows: “In addition to the pension benefits, the following payments shall be made:
  - a. A family allowance in accordance with the Law of Civil Service to the subscriber as long as he is entitled to pension.
  - b. In case the salaries scale and grades change or differ at any time from that existing when the beneficiary’s service was terminated, the pension shall be settled on the basis of the new salaries scale and grades as from the month, during which the change or difference takes place, any of which is better for the beneficiary.”
4. A new clause shall be added, bearing number 8, as follows: “The period of secondment, unpaid study leaves, official missions, ordinary and extraordinary leaves shall be included within the pension benefits, provided that all relevant contributions are paid as prescribed by the Law and in accordance with a bylaw to be issued forth by the Council of Ministers.”
5. A new clause shall be added, bearing number 9, as follows:
  - a. In case a subscriber under the provisions of the Law dies, the employer shall continue to pay his salaries for a period of three months, including the month in which he died, as well as another two months. In the event the subscriber dies after retirement, the Retirement Commission shall continue to pay his retirement pension for three months as from the month in which he died.

- b. In both cases, a monthly salary of a minimum of (5,000) five thousand shekels shall be adopted as per the aforementioned cases for the widow(s), the guardian of minors, or the person who proves that he has paid the funeral expenses. All provisions that contradict this under any other law or pension system shall be repealed.
- c. The provisions of this Article shall be applicable to all other pension systems.

#### Article 7

- Paragraph 2 of Article 27 of the Original Law shall be repealed and replaced by the following provision: “Male subscribers who complete twenty years, and female subscribers who complete fifteen years, of service admissible for retirement and who reach fifty five (55) years of age shall receive an infirmity retirement pension.”
- Paragraph 3 of Article 27 of the Original Law shall be repealed and replaced by the following provision: “The minimum amount of years of contribution to receive an infirmity retirement pension shall be twenty five (25) years for males and twenty (20) years for females in consideration of the service admissible for retirement. Eligible subscribers must reach fifty (50) years of age.”

#### Article 8

Clause (b), paragraph 1 of Article 28 of the Original Law shall be repealed and replaced by the following provision:

If funding is not available for the employee mentioned in the above clause (a) who has less than three years of service, the amounts he subscribed to the Defined Benefit and Defined Contribution Systems shall be paid to him. If he has three or more years of service but is not entitled to a retirement pension, all of the contributions he used to pay in the Defined Benefit System, as well as his and the employer’s contributions to the Defined Contribution System, shall be paid to him once he contributes to this system.

#### Article 9

The Table on the distribution of the retirement pension under Article 34 of the Original Law shall be repealed and replaced by the following Table:

Case Number	Entitled Persons	Due Shares in the Retirement Pension			
		Widows	Children	Parents	Siblings
1.	Entitled widow or widows or spouse and more than one son	0.5 half	0.5 half	—	—
2.	Entitled widow or widows or spouse and one son and parents	0.5 half	One third	One sixth for one or two	—
3.	Entitled widow or widows or spouse and one son	0.5 half	One third	—	—
4.	Entitled widow or widows or spouse or more than one child and parents	One third	0.5 half	One sixth for one or two	—
5.	Entitled widow or widows or entitled spouse and parents without the presence of children	0.5 half	—	One sixth for each one of them	—
6.	More than one child and parents without the	—	0.75 three quarters	One sixth for one or	—

	presence of an entitled widow or spouse			two	
7.	One child and parents without the presence of an entitled widow or spouse	—	0.5 half	One sixth for each one of them	—
8.	Parents without the presence of an entitled widow or spouse	—	—	One third for one or two	—
9.	A brother or sister without the presence of an entitled widow or spouse with no children nor parents	—	—	—	One sixth
10.	More than one brother or sister without the presence of an entitled widow or spouse with no children or parents	—	—	—	One third in equal proportion

#### Article 10

Paragraph 1 of Article 36 of the Original Law shall be repealed and replaced by the following provision:

Civil employees included in the Law may receive an early retirement pension following approval by the Commission, the completion of fifteen (15) years of service counted for retirement, and reaching fifty five (55) years of age. In such case, the retirement pension in accordance with the Defined Benefit System shall decrease by (5%) until reaching the age of compulsory retirement, sixty (60) years.

#### Article 11

Article 113 shall be amended by the addition of Paragraph 3 as follows:

3. For the purposes of purchase, the fractions of a year of actual service shall be deemed to be counted for the employee as a whole year.

#### Article 12

Article 118 of the Original Law shall be repealed and replaced by the following provision:

- a. The provisions of this Law, including its amendments, shall be applicable to all cases of retirement as from September 1<sup>st</sup>, 2006. The benefits due before this date shall be settled, each in accordance with the system by which the benefits were made.
- b. The Public Retirement Commission shall assess the pension benefits for members of the Legislative Council, members of the government and governors in accordance with the provisions of the Law on the Remunerations and Salaries of Members of the Legislative Council, Members of the Government, and Governors No. 11 of 2004, and shall assess the pension benefits for the President of the Palestinian National Authority in accordance with the provisions of the Law on the Allowances and Remunerations of the President of the Palestinian National Authority No. 18 of 2005.
- c. The Public Treasury of the Palestinian National Authority shall pay the pension benefits of those included in Paragraph (b) of this Article, provided that all of the periods preceding the holding of these positions are combined. They may not combine these benefits and any pension, salary or pension of any other retirement system.

- d. In case of death, the retirement pension shall be distributed to the successors in accordance with the Table provided under this Law.

### Article 13

Assessment of the severance pay provided for under the Labour Law No. 7 of 2000 for subscribers shall cease as from the date of the enforcement of the provisions of this Law to them.

### Article 14

The following articles under the Law of Insurance and Pensions of the Palestinian Security Forces No. 16 of 2004 shall be replaced with the following provisions:

1. Paragraph 1 of Article 24 of the Law No. 16 of 2004 shall be repealed and replaced by the following provision: “The pension shall be settled on the basis of the average of the salaries of the last three years approved for the purposes of retirement. This shall apply to all other retirement systems.”
2. Article 25 of the Law No. 16 of 2004 shall be repealed and replaced by the following provision: “The pension shall be settled for those entitled to retirement on the basis of (2.5%) of each year of service of the average of the salary of the last three years of service admissible for the purposes of retirement.”
3. Article 26 of the Law No. 16 of 2004 shall be repealed and replaced by the following provision: “The maximum monthly pension shall not exceed (70%) of the last monthly salary.”
4. Article 31 of the Law No. 16 of 2004 shall be amended by the addition of the following table:

Age at Retirement	Percentage of Salary Reduction
45 years or less	20%
46-50 years	15%
51-55 years	10%
56-less than 58 years	5%

5. Article 56 of the Law No. 16 of 2004 shall be repealed and replaced by the following provision: “In case the period of actual service of the beneficiary exceeds the maximum of the period of service admissible for retirement, which is (28) years, in accordance with the provisions of this Law, or the amount of pension exceeds the maximum limit prescribed under this Law, a severance pay shall be disbursed for the surplus period by an amount equal to (15%) of the annual salary for each year of the surplus service.”

### Article 15

- a. The personal allowance provided for under the Law of Civil Retirement No. 34 of 1959, as amended, under the Law of Insurance and Salaries No. 8 of 1964, as amended, under the Law of Insurance and Pensions of the Security Forces No. 16 of 2004, under the Original Law, and under any other retirement system, shall be cancelled.
- b. A sum of three hundred shekels shall be disbursed in addition to the retirement pension to the retiree or his successors, provided that it is distributed to the successors of the deceased or martyr in accordance with the Table provided under this Law.

### **Article 16**

Article 55 of the Law of Insurance and Pensions of the Palestinian Security Forces No. 16 of 2004 shall be repealed.

### **Article 17**

1. Articles 116 of the Original Law shall be repealed.
2. Article 117 of the Original Law shall be amended to read as follows: The Council of Ministers may early retire any employee if the employee has completed fifteen (15) years of service admissible for retirement without deduction of his obligatory entitlements.

### **Article 18**

1. The Law of Social Insurances No. 3 of 2003 shall be repealed.
2. All provisions that contradict the provisions of this Law shall be repealed.

### **Article 19**

The financial aspects of this Law shall be implemented in phases in accordance with the financial capacities of the Palestinian National Authority as decided by the Council of Ministers.

### **Article 20**

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

### **Article 21**

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 the date of its publication in the Official Gazette.

**Issued in the city of Ramallah on August 23<sup>rd</sup>, 2007 *Anno Domini*.  
Corresponding to Sha'ban 10<sup>th</sup>, 1428 *Anno Hegira*.**

**Mahmoud Abbas**

**Chairman of the Executive Committee of the Palestine Liberation Organisation  
President of the Palestinian National Authority**