

LEBANON - AN OVERVIEW OF EMPLOYEE BENEFITS

State and Mandatory Benefits	Normal retirement age is 64 but earlier retirement is allowed. The retirement benefit is a lump sum based on the last month's earnings times the number of years of service up to 20 years, plus 1.5 times the last month's earnings for years of service over 20 years or over age 64. The national social security fund pays the value of contributions paid, plus interest. The balance is paid by the employer. Each employer is required to make an adjustment in respect of service with the previous employer. The national social security fund also provides lump sum benefits on death or disability and for 90% of the cost of medical care.
Typical New Pension Plan	The typical new plan provides defined contribution retirement benefits, a lump sum death and disability benefit, and medical insurance, but the benefits are often limited to higher paid employees and multinational companies. Private medical insurance is widespread.
Typical Costs	Employers pay 8.5% of earnings for state retirement benefits and 15% for sickness benefits and family allowances. Employees pay 4% for sickness benefits and family allowances. Contributions for sickness benefits and family allowances are subject to a ceiling of LBP 1.5 million a month.
Tax Implications	Employer and employee contributions are tax deductible. Pensions and leaving service benefits are taxed as income.
Labour Law Issues	The minimum salary is LBP 500,000 a month.
Pooling Potential	Insured benefits can be included in multinational pooling arrangements.
International Financial Reporting	International Financial Reporting Standards are required for all listed companies and financial institutions.
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