

SAUDI ARABIAN OIL COMPANY (Saudi Aramco)

GENERAL INSTRUCTION MANUAL

ISSUING ORG. **PERSONNEL DEPARTMENT**

SUBJECT **HANDLING OF PERMANENT & TOTAL DISABILITY CASES**

GI NUMBER **Approved**

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CONTENT: This Instruction outlines the administrative procedures to be followed in processing all employees with Permanent and Total Disability (PTD), and the benefits that Saudi Arab and Foreign Contract PTD employees are entitled to receive from the Company and/or GOSI.

The text of this Instruction includes:

1. Glossary
2. Definition of PTD
3. Responsibility for Coordination
4. Initiation of Action
5. Review and Reporting
6. Termination of Services
7. Eligibility for PTD Benefits
8. PTD Benefits
9. Other Information.

1.0 **GLOSSARY:**

1.1 **Abbreviations and Acronyms:**

CB&ETAD	:	Compensation, Benefits & Employee Tax Accounting
FSS	:	Final Settlement Sub-system
G.I.	:	General Instruction
GOSI	:	General Organization for Social Insurance
HO&CDD	:	Home Ownership & Community Development Division
IR	:	Industrial Relations
MDF	:	Medical Designated Facility
MRB	:	Medical Review Board
PTD	:	Permanent and Total Disability
SAA	:	Saudi Aramco Affairs
SAMSO	:	Saudi Aramco Medical Services Organization
SBC	:	Special Benefits Committee
TOD	:	Treasurer's Operations Department
*SI&WCU	:	DHHRSC/Social Insurance & Workmen's Compensation Unit
*DHHRSC	:	Dhahran Human Resource Service Center
*HRSC	:	Human Resource Service Center

1.2 **Reference to other Manuals:**

Industrial Relations Manuals, Chapter 5

2.0 **Definition of PTD:**

An employee is considered to be Permanently and Totally Disabled if he/she is permanently and totally incapable, due to injury or illness, to perform any meaningful employment commensurate with his/her education, training or experience.

3.0 **Responsibility for Coordination:**

The Administrator, DHHRSC, shall be responsible for the coordination of all PTD processing with SI&WCU, SAMSO, GOSI, Employee's Department, and any other agency.

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4.0 **Initiation of Action:**

Action to declare an employee as PTD may be initiated by one of the following:

4.1 **By the treating Specialist Physician:** When in the opinion of the treating Specialist Physician, an employee has either:

- a) A permanent medical condition which renders him/her totally incapable of any meaningful work, or
- b) After consultation with the employee's supervisor, feels that the employee has a permanent medical condition, which renders him/her incapable of performing his/her work.

When either of the conditions is met, the treating Specialist Physician may place that employee on indefinite off-duty, notifying the employee's supervisor in writing of the employee's duty status and copying that notification to Administrator, DHHRSC.

4.2 **By the Employee Supervisor:** When an employee is placed on indefinite off-duty by his treating Specialist Physician or he has exceeded 90 consecutive or 120 non-consecutive 'M' time credits in the previous 12 months, his/her supervisor may write to the Administrator, DHHRSC, to refer the case to MRB.

5.0 **Review and Reporting:**

Upon receiving the Indefinite Off duty Notification from the treating Specialist Physician or a memo from the employee's supervisor, the Administrator, DHHRSC, shall arrange to:

5.1 Review the case and enter the employee particulars in the "Potential PTD ledger" maintained for that purpose.

5.2 * Send E-mail to the Supervisor, SI&WCU, requesting him:

5.2.1 To review the employee's Workmen's Compensation file to see if the employee has any job related injury or occupational illness.

5.2.2 To schedule the employee for an evaluation by the Medical Board and settle his/her claim, if the employee has any job related injury or occupational illness.

5.3 Write to the Chairman, MRB, requesting him/her to review the employee's case and advise whether or not the employee is PTD.

5.4 **If the employee declared as PTD by the Medical Review Board is a Saudi Arab payroll employee:**

5.4.1 Obtain the approval of Director, Personnel, and Vice President, SAMSO, on a memo to terminate the employee's services. The termination date should be the last date of the month in which the Medical Review Board declared the employee as PTD, unless it is administratively not possible to terminate the employee's services in the same month, in which case the termination should be at the end of the following month.

5.4.2 * Request the employee's department to forward termination documents to the Area HRSC, (i.e. Saudi Aramco Form 1180C, Initiate Departure Clearance online, and Family Government Booklet for Saudis or copy of passport for expats).

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5.4.3 For Saudi employees only, send a copy of the MRB report along with Form 3 to GOSI, under an official covering letter in Arabic under the signature of Director, Personnel, or Manager, SAA.

5.4.4 For Saudi employees Area HRSC should direct the employee/candidate to schedule an appointment and follow-up with GOSI Medical Board for evaluation of the disability.

5.5 **If the employee declared as PTD by the Medical Review Board is an Expatriate non-Saudi Arab payroll:**

5.5.1 Discuss the case with the Area HRSC of the proposed termination date to ensure that the employee's benefits such as short term/long term benefits, insurance, etc. are not adversely affected.

5.5.2 Discuss with the employee's supervisor the status of the case and determine the date for termination of his/her services.

5.5.3 Obtain the approval of Director, Personnel and Vice President, SAMSO, on a memo to terminate the employee's services.

(Note: It is the responsibility of the Vice President, SAMSO, prior to approving the termination memo, to ensure that the employee being terminated is not an in-patient or is not scheduled for any medical tests or surgery. Termination in such cases should be delayed until clearance is given by SAMSO.)

5.5.4 * Request the employee's department to forward termination documents to Area HRSC (Forms SA 1180C, Initiate Departure Clearance online and send a copy of Passport).

5.5.5 If the employee is not declared PTD by the Medical Review Board, inform the employee's supervisor of the MRB decision and close the case file.

6.0 **Termination of Services:**

* Termination processing of all PTD employees is handled by the concerned Area HRSC as follows:

6.1 Upon receipt of termination documents from the employee's department, the HR Advisor shall review the termination documents to ensure the correctness of data.

6.2 Calculate employee entitlements, deductions, etc.; and process them through SAP.

6.3 Review and approve IPF 10 and coordinate with Payroll/CB&ETAD for final settlement. The termination to be recorded through SAP.

6.4 * Send e-mail to HO&CDD and TOD for forgiveness of Home Loan balance and surrender of house deed for Saudi Arab employees with home loans.

7.0 **Eligibility Requirements for PTD Benefits:**

7.1 **To be eligible for PTD benefits from the Company**, a Saudi Arab or Foreign Contract employee should have:

- At least six months of continuous service with the Company.
- Should be declared permanently and totally disabled by the Company's Medical Review Board.
- The disability should occur prior to reaching normal retirement age.

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7.2 **To be eligible for non-occupational PTD benefits from GOSI**, a Saudi Arab employee should meet the following conditions:

- Completed at least 12 consecutive or 18 non-consecutive insurance months contribution.
- Disability should occur prior to reaching age 60 Hijrah.
- GOSI Medical Board should declare the employee as PTD.

(Note: Expatriate employees are not eligible for non-occupational PTD benefits from GOSI).

8.0 **PTD Benefits:**

8.1 Saudi Arab and Foreign Contract PTD employees are entitled to the following benefits from the Company:

- 8.1.1 Supplemental monthly annuity up to bring the monthly income up to a minimum of 65% of his/her final monthly base salary, after taking into account primary Social Insurance benefits, if any and the monthly annuity value of any industrial or non-industrial disability payments under the GOSI regulations.
- 8.1.2 The greater of early retirement annuity or PTD annuity if the PTD employee is eligible for early retirement.
- 8.1.3 GOSI portion of annuity, from the date of PTD termination, if a Saudi Arab employee, is rejected by GOSI Medical Board.
- 8.1.4 Forgiveness of any outstanding home loan for Saudi Arabs.
- 8.1.5 Forgiveness of the outstanding amount of the Thrift Plan loan.
- 8.1.6 Payment in lieu of unused medical days off ('M' time credits).
- 8.1.7 Free medical care to Saudi Arab PTD employee and spouse(s) and his/her registered dependents for a period of one year from the date of termination. After the expiry of one year, PTD annuitant and his/her registered spouse(s) are granted free medical treatment at MDF for life.
- 8.1.8 For Foreign Contract employees, the monthly annuity value of the Severance Award is offset from the PTD annuity.
- 8.1.9 The Company annuity stops upon the death of the annuitant except for Saudi Arab PTD Early Retirement annuitants, whose dependents will be entitled to post-retirement death benefits.

(Note: Employees under the Indefinite Term Employment Agreement (ITEA) such as Pound Sterling Payroll and employees from Philippines, Bangladesh, Sri Lanka and others who receive a contract completion bonus are not eligible for PTD benefits. Employees on US Dollar and Canadian Dollar Payroll are governed by their respective Benefit Programs.)

8.2 **GOSI Non-Occupational PTD Benefits:**

Saudi Arab employees declared PTD by GOSI Medical Board are entitled to receive the following benefits from GOSI:

- 8.2.1 A minimum monthly annuity of 50% of disabled employee's 24 months average wages.
- 8.2.2 Additional annuity of 50% not to exceed SR 3,500 if the disabled needs the assistance of others in the performance of his/her everyday life activities.

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8.2.3 Upon the death of the annuitant, the dependent members of his/her family will receive heir's annuity as follows:

If there are 3 dependents or more: 100% of annuity

If there are 2 dependents: 75% of annuity

If there is one dependent: 50% of annuity

8.2.4 Upon the death of the annuitant, GOSI also pays a funeral expense grant equal to three months annuity not to exceed of SR 10,000.

9.0 **Other Information:**

9.1 **Industrial PTD:**

9.1.1 If an employee, regardless of his/her nationality, is declared PTD due to an industrial injury or occupational disease in-Kingdom and is confirmed by GOSI Medical Board, he/she is entitled to receive his PTD benefits from GOSI as all Saudi Aramco employees are covered by the Occupational Hazards Branch of GOSI for industrial injury benefits.

9.1.2 * Industrial PTD cases require the approval of GOSI Medical Board and are handled by the Social Insurance & Workmen's Compensation Unit (SI & WCU) with GOSI.

9.1.3 Saudi Arab employees declared as Industrial PTD receive 100% of average wages as monthly annuity and other benefits as stated in paragraphs 8.2.2, 8.2.3 and 8.2.4 above.

9.1.4 Expatriate employees declared as industrial PTD by GOSI are entitled to receive a lump sum payment equal to their 84 months annuity up to a maximum of SR330,000 including dependent allowance.

9.2 **Extension of Disability Days:**

If an employee has exhausted his accumulated short term disability days ("M" Time) while being processed for PTD and it is causing him/her undue financial hardship, his/her department may write to the Chairman of the Special Benefits Committee for extension of "M" time.

* 9.3 **Re-employment of PTD:**

Employees terminated under the PTD Program should not be re-employed by the Company as regular and/or contractor employees.

Approved:

SULAIMAN AL-DOUIHI, Director
Personnel Department