

In the name of God, the Gracious, the Merciful

In the name of the People

Kurdistan Parliament - Iraq

Based on the provisions of paragraph I of Article 56 of amended Law No. 1 of 1992, and based on what was presented by the Kurdistan Region Council of Ministers, the Kurdistan Parliament – Iraq passed in its regular session No. 15 dated 16/1/2020, the following law:

Law No.2 of 2020

The Law on Reform of Salaries, Allowances, Grants, Privileges, and Retirement in Kurdistan Region – Iraq

Chapter I **Objectives**

Article 1

I. To implement the principles of justice and entitlement in the disbursement of salaries, allowances, grants and other privileges in Kurdistan Region, to end undue benefits and to prevent the waste of the public budget.

II. To institutionalize and unify the general directorates, directorates, departments and various units for retirement in the civil and military sectors and the internal security forces into one single general directorate for retirement affiliated to the Ministry of Finance and Economy of the Kurdistan Regional Government - Iraq.

III. To activate and to provide financial support for the Retirement Fund and to prevent any spending from the Fund except for the purposes mentioned in the Retirement Law No. 27 of 2006 applicable in the Region.

IV. To re-regulate the retirement of high-ranking officials and special grades based on age, years of service and certification.

Chapter II

Reregulation of the Rights and Privileges of the Descendants of Martyrs, Anfal Victims, and Political Prisoners and Detainees

Article 2

I. The unification of the rights and privileges of the families of martyrs, Anfal victims, and political prisoners and detainees in Kurdistan Region in light of the laws in force.

II. The revision and the dissolution of the rights and privileges (granted) to the descendants of beneficiaries in violation of the provisions of amended Law No. 9 of 2007 (the Law on the Rights and Privileges of Families of Martyrs and Anfal Victims).

III. The revision and the dissolution of the privileges of political prisoners and detainees benefiting under the category of political prisoner and detainee in contravention of the provisions of amended Law No. 11 of 2011.

IV. Upon the death of the political prisoner or detainee, their descendants shall be treated according to the Retirement Law in force in Kurdistan Region.

V. The ministries of Finance and Economy, Higher Education and Scientific Research, Education, and Health, in coordination with the Ministry of Martyrs and Anfal Affairs shall issue instructions to reregulate the government's assumption of healthcare and education expenses for the sons, daughters and wives of the martyr who have not married after their death, in governmental and private schools, institutes and universities inside the Region, and to determine the conditions for eligibility in light of Law No. 9 of 2007, Article 7, paragraph II.

Chapter III

Elimination of receipt of more than one disbursement from the Public Budget

Article 3

I.

1. All financial grants and privileges shall be abolished that are disbursed to persons categorized under the name of Beneficiaries of Social Care Allowances, persons with special needs and persons with disabilities

in violation of the valid laws and instructions, and such benefit shall be corrected according to the criteria for receiving these grants and privileges, including the degree of disability supported by reports from the appointed medical committee.

2. Allowances shall be granted to those public employees who are persons with disabilities or persons with special needs (for their disabilities) as a percentage of their basic salary, instead of granting them social care allowances, and this percentage shall be determined by the Council of Ministers taking into account the degree of disability which shall be determined by a professional medical committee.

II. All laws, decisions, regulations and instructions shall no longer be valid that allow a beneficiary to receive more than one salary, grant or any other financial privilege from the public budget inside the Region and the Federal authority, for all beneficiaries in civil and military services, internal security forces, beneficiaries of social care allowances and retirement of all kinds, except for finance privileges for the descendants of martyrs, Anfal victims, political prisoners and detainees and the beneficiaries from Law No. 9 of 2015 (the Law on Rights and Privileges of the Sole Family Survivors of Genocide in the Kurdistan Region – Iraq).

III. Persons covered by paragraph II of this article who, according to laws and instructions and alongside their salaries, receive grants and other financial privileges from the public budget inside the Region and the Federal authority, shall be entitled to choose only one of these salaries, grants and privileges.

IV. In case a retired public employee is reassigned to a public position permanently or under a contract, they shall have the option to receive their retirement pension or the salary of the job to which they have been reassigned, and in no case may they benefit from both the salary and the pension.

Chapter IV

The Sectors of Peshmerga, Security Forces and Internal Police

Article 4

I. Unification and organization of the accounting units in all Kurdistan Peshmerga Forces Units, both those organized and not organized within the framework of the Ministry of Peshmerga Affairs, in one single

accounting department, which is the General Directorate of Budget and Programs (Military Accountancy) of the Ministry of Peshmerga Affairs in Kurdistan Region.

II. The accounting units are subject to the audit of the Financial Supervision Divan of the Kurdistan Region and the Financial Supervision Department mentioned in Article 3 of Law No. 19 of 2007 (the Law of the Ministry of Peshmerga Affairs in Kurdistan Region) as is the case with the regular forces of the aforementioned Ministry.

III. The Minister of Peshmerga Affairs shall grant full powers, in accordance with the laws in force, to the Financial Supervision Department of the Ministry of Peshmerga Affairs to audit the Peshmerga lists, create a personnel file with its legal requirements and review the Peshmerga service in all of the Kurdistan Peshmerga Forces Units, both those organized and not organized under the framework of the Ministry of Peshmerga Affairs, in coordination with the Directorate of Human Resources belonging to the General Directorate of Budget in the Ministry of Finance and Economy.

IV. Determining the number of guards for political parties' headquarters and institutions, as well as guards for the protection of high-ranking public officers, military officials and internal security, shall be organized in coordination and in accordance with regulations issued by the Council of Ministers, and the service of the surplus of the number specified in those regulations shall be reorganized within the framework of the military personnel and the internal security forces, and according to their entitlements.

V. All the guards are transferred to the human resources of the Guard Forces Unit in the Ministry of Interior, and it is not permissible in any case for the guard to be the personnel of any other military unit or the internal security forces except for the Guard Unit of the Ministry of Interior, and the pay of the guard salary shall be made exclusively by the Accounts Directorate of the Ministry of Interior after its equivalation and unification.

VI. Lists of beneficiaries of retirement of Peshmerga with disabilities shall be reviewed and reorganized in light of Law No. 34 of 2007, and the retirement of persons referred to retirement in contravention of the provisions of the aforementioned law shall be abolished.

Chapter V

Allowances

Article 5

The Council of Ministers shall reregulate all allowances in light of the laws in force and in a fair way.

Chapter VI

Reregulating the Service Calculation

Article 6

I. Grades, titles, and salaries of all salary earners in the Region in the civil, Peshmerga, and internal security forces sectors shall be reviewed and reregulated in accordance with the valid laws, regulations, and instructions, and shall be reregulated within the framework of the public service based on certification, years of actual service, and legally calculated service, without counting the unlawfully calculated service for the recipient of the salary.

II. Job salary shall be in compliance with the job title and grade according to the provisions of the amended Civil Service Law No. 25 of 1960 in the Region, or any other law that replaces it, and the job titles and grades that are inconsistent with the aforementioned law shall be abolished.

III. All the additional grades and salary granted to the salary recipient in contravention of laws in force shall be abolished, whether they were granted on the first day of their appointment or after their appointment.

IV. The years of service calculated for the civil, Peshmerga or the internal security forces sectors shall be abolished for the periods corresponding to the period of study of the salary recipient, except for cases of study leave or evening study or in cases that the age of the salary recipient at the time was less than sixteen (16) years, except for political prisoners and detainees.

V.

1. Any legal position in the field of public service created on the basis of an administrative decision and in receipt of a salary from the public budget, shall be safeguarded on condition that their retirement deductions are paid based on the administrative decision for their appointment. Their

job grades and titles, salaries and financial entitlements shall be reregulated within the framework of the valid laws, regulations and instructions and they shall comply with the provisions of this law.

2. The provision of Clause 1 of Paragraph V of this article shall apply only to those persons who have received their salaries until the ratification of this Law.

Chapter VII

Retirement

Article 7

I. The retirement of those referred to below shall be unified with regard to terms and conditions of retirement, under the same terms and conditions of public employees' retirement in the general grades for civil, military and internal security forces personnel:

The President of the Region, the Speaker of the Parliament, the Prime Minister, their deputies, Members of Parliament and Ministers and those who are in their grades, ministry deputies, those who are in their grades and those receiving the salary equivalent to that of deputy minister, the owners of special grades, directors general, those who are at the grade of director general, and those receiving the salary of a general manager, presidents of and members of the provincial councils of the Region, and everyone who receives a salary and allowances of Top Grade (a) and (b) according to the salary scale in force in the Kurdistan Region for civil, military and internal security forces personnel.

II. The retirement pension for the people referred to in paragraph I of this article shall be calculated as follows:

1. A ratio of fifteen percent (15%) of the total last salary and allowances that he received during service.

2. A ratio of one and a half percent (1.5%) of the total of the last salary and allowances that he received during service is added to the retirement pension for every single year of service.

3. The allowances for the following certificates or their equivalent shall be in accordance with the following ratios:

a. The allowance for a preparatory certificate shall add to the retirement pension a ratio of one percent (1%) of the total of the last salary and allowances that he received during the service.

b. The allowance for a diploma certificate shall add to the retirement pension a ratio of two percent (2%) of the total of the last salary and allowances that he received during the service.

c. The allowance for a Bachelors degree certificate shall add to the retirement pension a ratio of four percent (4%) of the total of the last salary and allowances that he received during the service.

d. The allowance for a high diploma or Masters degree certificate shall add to the retirement pension a ratio of six percent (6%) of the total of the last salary and allowances that he received during the service.

e. The allowance for a Doctorate certificate shall add to the retirement pension a ratio of eight percent (8%) of the total of the last salary and allowances that he received during the service.

4. The retirement pension entitlement must not exceed fifty percent (50%) of the total of the last salary and allowances that he received during the service.

III.

1. The public employee according to the definition contained in the Unified Retirement Law in force in the region (including the persons referred to in Paragraph I of this article) shall be entitled to a retirement pension if their public service is not less than fifteen (15) years and they have reached forty-five (45) years of age, except in the cases of death, martyrdom or retirement due to health reasons and other exceptions mentioned in the valid Retirement Law.

2. A person entrusted with a public service from those referred to in Paragraph I of this Article who does not meet the conditions mentioned in Paragraph III/1 of this article, is entitled to a retirement pension under the same criteria mentioned in Paragraph II of this Article on condition that it does not exceed twenty-five percent (25%) of the total of the last salary and allowances that he received during the service, in addition to their retirement pension. Until their case is adjusted according to the terms and conditions mentioned in Clause 1 of this paragraph.

3. The provisions of Clause 2 of this Paragraph shall not apply to those persons who will be entrusted with a public service after this Law enters into force.

IV. A Member of Parliament has the right to voluntarily waive their retirement rights and entitlements as an entrusted person, on condition that he submits an application to do so within a period not exceeding (30) thirty days from the date that this Law enters into force, to the Divan of the Kurdistan Parliament - Iraq for the purpose of taking the necessary legal measures.

V. The period of service in the Kurdistan Parliament's terms is counted for all the purposes of the bonus, promotion and retirement for the Members of Parliament who, through choice, return to their jobs after their service as Member of Parliament ends.

VI. The provisions of this Article shall apply also to all the persons referred to in Paragraph I of this Article who were referred to retirement before the entry into force of this Law, and they must adjust their conditions with the provisions of this Law, and for those whose years of service have not reached fifteen (15) years, a maximum of three (3) years shall be added to their service, as is the case in the general job grades, for the purpose of reaching the compulsory retirement age, on condition that the amount of employee's retirement pension contribution for this period is paid by the employee.

VII. Those mentioned in paragraph I of this Article who were previously public employees of the government and who voluntarily wish to return to their job shall have their resignation cancelled and their service shall be counted for the purposes of bonus, promotion and retirement. The relevant authority shall commit to providing the necessary job grade and the necessary financial allocations for them, and they shall have the option to choose between receiving the retirement pension or the salary of the job that they return to.

VIII. Except for those entrusted with a public service, all those referred to in Paragraph I of this article are entitled to a retirement pension according to the same criteria and conditions mentioned in Paragraphs II and III of this article, at a ratio not exceeding sixty percent (60%) of the total of the last salary and allowances they received during the service.

IX. The retirement pension for all judges and public prosecutors shall not exceed seventy percent (70%) of the total of the last salary and allowances they received during service according to the laws in force.

Article 8

All General Directorates, Directorates, Departments, and any other administrative and financial units from which the retirement pension is paid (in the civil and military sectors, security and interior forces, units of the Peshmerga forces that are not organized under the Ministry of Peshmerga Affairs) and all personnel, moveable and non-movable property, dossiers and files of the aforementioned directorates and administrative units, shall be transferred to the General Directorate of Retirement of the Ministry of Finance and Economy of the Kurdistan Region Government - Iraq, and a new structure shall be prepared for this General Directorate and shall be approved by the Council of Ministers.

Article 9

The retirement at the grade of minister, deputy minister, adviser, director general and any other special grade for Peshmerga who were part of the Liberation Movement of Kurdistan before the date of 5/3/1991 and who were honoured with a retirement pension at these grades, shall be abolished and in place of that, after confirming that they fulfil the terms and conditions and after checking the lists of names of these Peshmerga to remove ineligible persons, a financial privilege shall be granted to them in light of Law No. 33 of 2007 the Peshmerga (Guard) Honour Law (Kurdistan Region - Iraq), or Law No. 34 of 2007 The Peshmerga (Guard) Disabled Retirement Law (Kurdistan Region - Iraq), or Law No. 38 of 2007, Law on Service and Retirement of the Peshmerga (Guards) (Kurdistan Regional - Iraq), whichever of these laws is relevant.

Article 10

The retirement pension for all persons illegally referred to retirement shall be abolished, the retirement pension for all persons referred to retirement at a higher level than they are entitled to or referred to retirement on the basis of the illegal calculation of years of employment service shall be corrected, and their retirement pension shall be corrected

to the pension to which they are eligible under the valid laws and under the provisions of this Law.

Chapter VIII

Concluding Provisions

Article 11

I. The executive authority and relevant authorities shall implement the provisions of this Law.

II. The Financial Supervision Divan of the Kurdistan Region is obliged to inspect, audit and follow up the implementation of the provisions of this law and other relevant laws and to prepare reports in light of Law No. 2 of 2008, the Law on the Financial Supervision Divan of Kurdistan Region – Iraq,.

III. The Commission of Integrity and Public Prosecution in Kurdistan Region - Iraq is obligated, according to its competence, to take the necessary legal measures against any associate and official who hinders and impedes the implementation of the provisions of this Law.

Article 12

I. Appointment to the positions of Director General, Adviser and above shall be suspended in the constitutional institutions of the Kurdistan Region – Iraq, unless a vacant grade is found.

II. The public employee with a grade of Director General or above who does not manage an administrative structure at the level of a General Directorate or above is referred to retirement under the provisions of Paragraph VIII of Article 7 of this Law, or is transferred to another body when there is a vacant job corresponding to the job title that he is eligible to take.

III. The provisions of Paragraph II of this Article also apply to the heads of the administrative units (Governor, Mayor, Head of Sub-District), who do not manage any administrative unit.

IV. The conditions of appointment with the grade of Director General and above, in addition to the conditions of employment in the public office, shall be determined by regulations issued by the Council of Ministers, taking into account certification, specialization, years of service, experience and competence.

Article 13

I.

1. Within the framework of reorganizing the field of banking in the Region and of electronising banking services, the Ministry of Finance and Economy shall open a private account for each salary recipient and beneficiary of the public budget in order to guarantee (protect) all their financial dues, including unspent financial dues.

2. The manner in which this account is opened and how the salary recipient and beneficiary of the public budget benefits from this account shall be organized according to financial instructions issued by the Ministry of Finance and Economy, in light of Paragraph I, Clause 1 of this article.

II. In light of any actual reduction in government expenditure as a result of the implementation of this Law, the Council of Ministers shall give priority to reviewing the minimum retirement pension in the Region with a view to increasing it, taking into account the standard of living and the conditions of people who receive the lowest retirement pension.

III. The Ministry of Finance and Economy of the Kurdistan Regional Government - Iraq should take the necessary legal measures to collect commercial debts, and review the property and funds placed as collateral to meet these debts.

Article 14

I. The implementation of the provisions of this Law shall not have financial and judicial consequences for the persons to which this Law applies, for the cases that occurred before the implementation of this Law.

II. Those covered by the provisions of this Law shall have the right to appeal legally according to the provisions of the laws in force.

Article 15

Nobody shall refer any person to retirement nor be granted any other financial privilege under any justification or title, if the person was not previously registered according to their legal entitlement in the biometric system databases in effect by the Kurdistan Regional Government, and the retirement salary is not paid to their legal descendants until the registration in the biometric system database.

Article 16

I. The provisions of this Law shall apply to all cases prior to its enforcement and they must adjust their conditions to this Law.

II. Any legal provision or decision that contradicts the provisions of this Law shall not be observed.

III. Law No. 36 of 2004, the Law on the Retirement of the Holders of High Positions in the Kurdistan Region – Iraq, shall be abolished.

Article 17

The Council of Ministers shall issue regulations to facilitate the implementation of the provisions of this Law within a period not exceeding sixty (60) days from the date of the issuance of this Law.

Article 18

The Council of Ministers and relevant authorities shall implement the provisions of this Law.

Article 19

This Law shall be published in the Official Gazette (Waqaa'ia Kurdistan), and it shall be implemented after ninety (90) days from the date of issuance of the Regulations mentioned in Article 17 of this Law.

Rationale

This Law was enacted for the purpose of reorganizing public employment and retirement in all sectors (civil, Peshmerga and internal security forces), as well as social care allowances; of implementing justice and equality in the disbursement of salaries, allowances, grants and public financial privileges; and of preventing illegal and unlawful use of public budget allocations.