

## Tanzania

Exchange rate: US\$1.00 = 1,730 shillings.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1964 (provident fund) and 1997 (social insurance), implemented in 1998.

**Current laws:** 2008 (establishment of the regulatory authority), 2012 (social security), and 2014 (harmonization of rules)

**Type of program:** Social insurance system.

**Note:** The 2014 Social Security Schemes Rules harmonized five mandatory pension schemes (including the public sector). The information given applies to all schemes unless otherwise stated.

#### Coverage

Employed and self-employed persons.

Voluntary coverage is available.

#### Source of Funds

**Insured person:** 10% of gross salary.

The insured person's contributions also finance cash maternity benefits, medical benefits, funeral grants, and work injury benefits.

**Self-employed person:** May voluntarily contribute an amount negotiated with the scheme to which the person is affiliated.

The self-employed person's contributions also finance cash maternity benefits, medical benefits, funeral grants, and work injury benefits.

**Employer:** 10% of gross payroll. The employer may contribute at a higher rate up to 20%.

The employer's contributions also finance cash maternity benefits, medical benefits, funeral grants, and work injury benefits.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 180 months of contributions.

Employment must cease.

Early pension: Age 55 with at least 180 months of contributions.

Deferred pension: A deferred pension is possible. There is no maximum age.

**Old-age grant:** Age 60 with less than 180 months of contributions.

Employment must cease.

**Disability pension:** Must be assessed with at least a 66.7% loss of earning capacity and have at least 180 months of contributions or 36 months of contributions, including at least 12 months in the 36 months immediately before the disability began.

A medical board of doctors appointed by the Ministry of Health assesses the disability. A medical examination by a medical board may be required.

**Disability grant:** Paid if the insured is assessed with at least a 66.7% loss of earning capacity but has less than 180 months of contributions.

**Survivor pension:** The deceased received or was entitled to receive an old-age or disability pension.

Eligible survivors include a widow(er) and children younger than age 18 (age 21 if a full-time student, no limit if disabled). If there is no surviving spouse or child, the deceased's parents may be eligible.

The widow(er)'s pension ceases on remarriage.

**Survivor grant:** The deceased was not entitled to receive an old-age or disability pension at the time of death.

Eligible survivors include a widow(er) and children younger than age 18 (age 21 if a full-time student, no limit if disabled). If there is no surviving spouse or child, parents of the deceased may be eligible.

**Funeral grant:** The insured had at least one month of contributions and was employed at the time of death. The grant is paid to the person who pays for the funeral.

#### Old-Age Benefits

**Old-age pension:** The monthly pension is calculated by multiplying the accrual rate of 1/580 by the number of contribution months times the insured's Annual Pensionable Emoluments (APE) divided by 12. If the insured person chooses to receive part of the pension as a lump sum, the pension is calculated using 75% of APE. The lump sum is calculated by multiplying the accrual rate of 1/580 by the number of contribution months by 25% of the APE multiplied by a commutation factor of 12.5.

APE is the insured person's average annual earnings in the best three of the last 10 years before retirement.

The above rules apply to all persons first contributing to one of the five schemes on or after July 1, 2014, and all existing members of the National Social Security Fund, the PPF Pensions Fund, and the GEPF Retirement Benefits Fund who retire on or after July 1, 2014. Different rules apply to insured persons who were members of the LAPF

Pensions Fund and the Public Service Pensions Fund on June 30, 2014.

The minimum pension is 40% of the legal monthly minimum wage according to eight sectors.

The legal monthly minimum wage ranges from 100,000 shillings to 350,000 shillings, according to eight industry sectors.

The maximum pension is 72.5% of the insured's monthly earnings used to calculate the pension.

**Early pension:** The pension is reduced by 3.6% of the insured's earnings used to calculate the pension for each 12-month period the pension is taken before age 60. The pension must at least equal the minimum pension.

**Deferred pension:** Calculated in the same way as the old-age pension.

The insured receives credit for previous contributions made to the National Provident Fund.

**Benefit adjustment:** The benefits are reviewed periodically and may be adjusted according to the actuarial valuation of the schemes' funds.

**Old-age grant:** The grant is the average of the last 60 months of contributions before retirement multiplied by the number of months of contributions.

### **Permanent Disability Benefits**

**Disability pension:** The pension and lump sum are calculated in the same way as the old-age pension.

The minimum pension is 40% of the legal monthly minimum wage.

The legal monthly minimum wage ranges from 100,000 shillings to 350,000 shillings, according to eight sectors.

The maximum pension is 72.5% of the insured's average monthly covered earnings.

The disability pension may be replaced by an old-age pension at age 60 if the value of the old-age pension equals or exceeds the disability pension.

**Disability grant:** A lump sum is paid.

**Benefit adjustment:** The benefits are reviewed periodically and may be adjusted according to the actuarial valuation of the schemes' funds.

### **Survivor Benefits**

**Spouse's pension:** 100% of the old-age or disability pension the deceased received or was entitled to receive is paid to a widow(er) without dependent children; 40% if an orphan's benefit is also paid. If there is more than one widow, the pension is split equally. The survivor may choose to receive part of the pension as a lump sum. The lump sum is calculated by multiplying 25% of the insured's

Annual Pensionable Emoluments (APE) by a commutation factor of 12.5.

APE is the insured person's average annual earnings in the best three of the last 10 years before retirement.

The widow(er)'s pension is paid for two years if the widow(er) is younger than age 45 or does not have a dependent child younger than age 15 at the time of the insured's death.

The minimum pension is 40% of the legal monthly minimum wage according to eight sectors.

The legal monthly minimum wage ranges from 100,000 shillings to 350,000 shillings, according to eight industry sectors.

The maximum pension is 72.5% of the insured's average monthly covered earnings.

**Orphan's pension:** 60% of the old-age or disability pension the deceased received or was entitled to receive is split equally among eligible children; 100% for full orphans.

**Parent's pension:** If there are no other eligible survivors, 100% of the old-age or disability pension the deceased received or was entitled to receive is paid.

**Survivor grant:** A lump sum of 12 months of the old-age or disability grant the deceased received or was entitled to receive is paid.

**Funeral grant:** A lump sum of 150,000 shillings to 600,000 shillings is paid, depending on the amount of monthly contributions.

**Benefit adjustment:** The benefits are reviewed periodically and may be adjusted according to the actuarial valuation of the schemes' funds.

### **Administrative Organization**

Ministry of Labour and Employment (<http://www.kazi.go.tz>) provides general supervision.

Social Security Regulatory Authority (<http://www.ssra.go.tz>) regulates and supervises the performance of all social security programs.

National Social Security Fund (<http://www.nssf.or.tz>), PPF Pensions Fund (<http://www.ppftz.org>), GEPF Retirement Benefits Fund (<http://www.gepf.or.tz/>), LAPF Pensions Fund (<http://www.lapftz.org/>), and Public Service Pensions Fund (<http://www.pspf-tz.org/>) administer the programs.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First and current law:** 1972 (social insurance); 1997 (social insurance), implemented in 2005; 2003 (national health policy); 2004 (employment); and 2009 (health).

**Type of program:** Social insurance and employer-liability system.

## Coverage

**Cash sickness benefits (employer liability):** Employed persons.

**Cash maternity benefits (social insurance):** All employed and self-employed persons.

Voluntary coverage is available.

**Medical benefits (social insurance):** Employed and self-employed persons.

## Source of Funds

### Insured person

*Employer liability program:* None.

*Social insurance program:* See source of funds under Old Age, Disability, and Survivors.

### Self-employed person

*Employer liability program:* Not applicable.

*Social insurance program:* See source of funds under Old Age, Disability, and Survivors.

### Employer

*Employer liability program:* The total cost.

*Social insurance program:* See source of funds under Old Age, Disability, and Survivors.

### Government

*Employer liability program:* None.

*Social insurance program:* See source of funds under Old Age, Disability, and Survivors.

## Qualifying Conditions

**Cash sickness benefits (employer liability):** Must have been employed with the same employer for at least six months in the 12-month period before the sickness began or be employed on a seasonal basis by the same employer. Must have a medical certificate, and must not be entitled to receive paid sick leave from any other sources.

**Cash maternity benefits (social insurance):** Must have at least 36 months of contributions including at least 12 months in the 36 months immediately before the expected date of childbirth. Cash maternity benefits are paid to an insured woman only once in each three-year period.

**Cash paternity benefits (employer liability):** Must have been employed with the same employer for at least six months in the 12-month period before the birth or be employed on a seasonal basis by the same employer. Must be the father of the child and take the leave within seven days of the birth.

**Medical benefits (social insurance):** Must have at least three months of contributions immediately before the medical problem began.

## Sickness and Maternity Benefits

**Sickness benefit (employer liability):** Up to 126 days are paid within a three year period. 100% of the employee's earnings is paid for the first 63 days; 50% thereafter.

**Maternity benefit (social insurance):** 100% of the insured woman's average daily wage in the six months before the 20th week of pregnancy is paid for up to 12 weeks in one or two parts: four weeks before and eight weeks after childbirth (four weeks after childbirth for a stillborn child). Maternity care is provided from the 24th week of pregnancy and ceases two days after childbirth; seven days after childbirth for a caesarean section; up to 12 weeks if prolonged care is necessary.

**Paternity benefit (employer liability):** 100% of the employee's earnings is paid for up to three days in a three year period irrespective of the number of children fathered.

## Workers' Medical Benefits

**Medical benefits:** Benefits include preventive and curative care, essential drugs, laboratory tests, medical imaging, hospitalization, major and minor surgery, physical therapy, and some optical and dental services.

Government programs provide free care for immunizations, tuberculosis, HIV/AIDS, leprosy, cancer, epidemics, mental illness, and diabetes mellitus.

## Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Eligible dependents include the spouse and up to four of the insured's children younger than age 18 (age 21 if a full-time student).

## Administrative Organization

Ministry of Labour and Employment (<http://www.kazi.go.tz>) provides general supervision.

Social Security Regulatory Authority (<http://www.ssra.go.tz>) regulates and supervises the performance of all social security programs.

National Social Security Fund (<http://www.nssf.or.tz>) administers the social insurance program.

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## Work Injury

### Regulatory Framework

**First law:** 1948.

**Current law:** 2008 (workmen's compensation), implemented in 2015.

**Type of program:** Social insurance system.

### **Coverage**

Employed and self-employed persons.

### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** 1% of payroll for the private sector; 0.5% for the public sector.

**Government:** None; contributes as an employer.

### **Qualifying Conditions**

**Work injury benefits:** Must be registered with the National Social Security Fund and assessed with a work injury or an occupational disease by a medical board.

### **Temporary Disability Benefits**

60% of the insured's average daily wage is paid for up to 26 weeks.

The insured's average daily wage is based on the insured's earnings in the six months before the month the disability began.

### **Permanent Disability Benefits**

**Permanent disability benefit:** If the insured is assessed with a total disability, 70% of the insured's average monthly earnings is paid for up to seven years.

Partial disability: If the assessed degree of disability is less than 30%, a lump sum is paid.

The maximum partial disability benefit is 84 times the insured's average monthly earnings, according to the assessed degree of disability.

Constant-attendance allowance: If the insured requires the constant attendance of others to perform daily functions, 25% of the permanent disability benefit is paid.

### **Workers' Medical Benefits**

Benefits include medical, hospital, and nursing care; prostheses; and the cost of medicine, appliances, and transportation up to a maximum.

### **Survivor Benefits**

**Death benefit:** A lump sum of 60% of the deceased's average insurable monthly earnings is paid.

### **Administrative Organization**

Ministry of Labour and Employment (<http://www.kazi.go.tz>) provides general supervision.

Social Security Regulatory Authority (<http://www.ssra.go.tz>) regulates and supervises the performance of all social security programs.

National Social Security Fund (<http://www.nssf.or.tz>) administers the program.

### **Unemployment**

#### **Regulatory Framework**

According to the 2004 Employment Act, the employer must provide severance pay for its employees with at least 12 months of continuous service. At least seven days' average daily earnings is paid for each year of continuous employment with the same employer, up to 10 years.