

## Kenya

Exchange rate: US\$1.00 = 90.65 shillings.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1965 (social security).

**Current law:** 2013 (pension and provident fund) implemented in 2014.

**Type of program:** Mandatory individual account (pension fund) and voluntary provident fund system.

Note: The 2013 National Social Security Fund Act established a pension fund and a new provident fund. Membership in the pension fund is mandatory for all employed persons aged 18 to 60. Members of the old provident fund were automatically enrolled in the pension fund; their assets in the old provident fund remain there. Membership in the new provident fund is voluntary.

#### Coverage

**Pension fund:** Employed persons in companies with at least one employee.

**Provident fund:** Self-employed persons, retired persons older than age 60, and persons who do not qualify for the pension fund.

Special system for public-sector employees.

#### Source of Funds

Note: Contributions are divided into two tiers. Tier 1 contributions are directed to the National Social Security Fund (NSSF); Tier 2 contributions may be directed to either the NSSF or to a registered private pension scheme. The rates below are for both tiers combined.

**Insured person:** 6% of pensionable monthly earnings. The voluntarily insured pay at least 200 shillings a month or 4,800 shillings a year.

Contributions up to the lower earnings limit are used to finance Tier 1 while those above the lower earnings limit but below the upper earnings limit are used to finance Tier 2.

The lower earnings limit is 7,000 shillings in 2015, 8,000 shillings in 2016, 9,000 shillings in 2017, and the annual average statutory minimum monthly basic wage (for the top urban centers, second Tier urban centers and rural areas) in 2018.

The upper earnings limit is 100% of national average earnings in 2015, rising to two times national average earnings

in 2016, three times national average earnings in 2017, and four times national average earnings in 2018.

There are no maximum earnings used to calculate voluntary contributions.

**Self-employed person:** At least 200 shillings a month, or 4,800 shillings a year.

There are no maximum earnings used to calculate voluntary contributions.

**Employer:** 6% of monthly payroll.

Contributions up to the lower earnings limit are used to finance Tier 1 while those above the lower earnings limit but below the upper earnings limit are used to finance Tier 2.

The lower earnings limit is 7,000 shillings in 2015, 8,000 shillings in 2016, 9,000 shillings in 2017, and the annual average statutory minimum monthly basic wage (for the top urban centers, second Tier urban centers and rural areas) in 2018.

The upper earnings limit is 100% of national average earnings in 2015, rising to two times national average earnings in 2016, three times national average earnings in 2017, and four times national average earnings in 2018.

**Government:** Contributes as an employer.

#### Qualifying Conditions

**Old-age benefit:** Age 60. Age 50 for early retirement.

Employment must cease.

**Emigration benefit:** Paid if a member emigrates to a country that does not have a reciprocal agreement with Kenya.

**Disability benefit:** Must be assessed with a total permanent physical or mental incapacity and have at least 36 months of contributions before the disability began. A medical board, appointed by the National Social Security Board, assesses the disability.

**Survivor benefit:** Paid if the deceased had at least 36 months of contributions and was contributing at the time of death.

Eligible survivors include persons named by the deceased.

**Funeral grant:** Must have at least six months of contributions.

Eligible survivors include a surviving spouse; if the deceased was not married, to the father, mother, brother, sister or the person who paid for the funeral.

#### Old-Age Benefits

**Old-age benefit:** The insured has three options: purchase a life annuity from a registered insurer, take a partial lump sum and purchase an annuity with the balance, or take a portion of the accounts as a lump sum (all of Tier 1 and a

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maximum of one third of Tier 2) and receive the balance as programmed withdrawals.

**Emigration benefit:** The member may withdraw the funds.

### Permanent Disability Benefits

**Disability benefit:** The disability benefit based on the value of the insured's Tier 1 and Tier 2 accounts, plus the insured's last monthly contributions to Tier 1 multiplied by the number of months of potential employment between the date the disability began and the retirement age, or 90 months, whichever is lower.

### Survivor Benefits

**Survivor benefit:** The survivor benefit is based on the value of the deceased's Tier 1 and Tier 2 accounts (combined contributions plus interest) plus the deceased's last contributions to Tier 1 multiplied by the number of months of potential employment between the date of death and the retirement age, or 90 months, whichever is lower.

**Funeral grant:** 10,000 shillings is paid.

### Administrative Organization

National Social Security Fund Board directs and manages the National Social Security Fund.

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

## Sickness and Maternity

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### Regulatory Framework

**First law:** 1966 (hospital insurance).

**Current law:** 1998 (hospital insurance) and 2007 (employment act).

**Type of program:** Social insurance (medical benefits) and employer-liability (cash sickness and maternity benefits system).

### Coverage

**Employer-liability system:** Employed persons.

**Social insurance system:** Employed and self-employed persons and public-sector employees earning at least 1,000 shillings a month.

Voluntary coverage for persons earning less than 1,000 shillings a month.

Special system for civil servants.

### Source of Funds

#### Insured person

**Cash sickness and maternity benefits (employer liability):** None.

**Medical benefits (social insurance):** 150 shillings to 1,700 shillings a month. The voluntarily insured pay a flat rate of 160 shillings a month.

#### Self-employed person

**Cash sickness and maternity benefits (employer liability):** Not applicable.

**Medical benefits (social insurance):** 30 shillings to 320 shillings a month. The voluntarily insured pay a flat rate of 160 shillings a month.

#### Employer

**Cash sickness and maternity benefits (employer liability):** Total cost.

**Medical benefits (social insurance):** None.

#### Government

**Cash sickness and maternity benefits (employer liability):** None.

**Medical benefits (social insurance):** None.

### Qualifying Conditions

**Cash sickness benefits (employer liability):** Must have had at least two consecutive months of service with an employer. The employee must provide an appropriate medical certificate issued by a registered medical practitioner.

**Cash maternity benefits (employer liability):** Must give at least seven days written notice of intention to take maternity leave on a specific date and to return to work thereafter.

**Medical benefits (social insurance):** There is no minimum qualifying period; the voluntarily insured must have at least 60 days of coverage for medical benefits and at least six months of coverage for maternity care.

### Sickness and Maternity Benefits

**Sickness benefit (employer liability):** Seven days full pay; thereafter seven days with half pay for each twelve consecutive months of service.

Accredited government and certain private and faith-based hospitals provide comprehensive maternity care to members of the National Hospital Insurance Fund (NHIF) and their dependents.

**Maternity benefit (employer liability):** Three months of maternity leave with full pay for women.

Two weeks of paternity leave with full pay for men.

### Workers' Medical Benefits

**Medical benefits (social insurance):** Government hospitals provide free care for certain illnesses, including tuberculosis, HIV/AIDS, and other sexually transmitted diseases,

and free comprehensive inpatient care for employed persons who contribute to the NHIF.

Benefits are paid for up to 180 days a year; may be extended for extreme hardship.

Cost sharing: Inpatient hospital and medical treatment for insured persons and their dependents is reimbursed up to 432,000 shillings a year, according to a schedule in law. The amount varies according to three categories of hospitals accredited by the NHIF: free care at government hospitals; co-payments of up to 15,000 shillings at certain private and faith-based hospitals for treatment requiring surgery; and unlimited co-payments at all other private hospitals.

Medical services provided abroad are reimbursed at 1,750 shillings a day.

### **Dependents' Medical Benefits**

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

### **Administrative Organization**

Ministry of Health (<http://www.health.go.ke>) provides general supervision through a board of directors.

National Hospital Insurance Fund (<http://www.nhif.or.ke/healthinsurance>) administers the program.

## **Work Injury**

### **Regulatory Framework**

**First law:** 1946.

**Current laws:** 1974 (workmen's compensation), 2007 (work injury), and 2007 (employment).

**Type of program:** Employer-liability system through a public carrier.

### **Coverage**

Public- and private-sector employees.

Exclusions: Professional employees earning more than 4,000 shillings a month, self-employed persons, casual workers, and family labor.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost (pays insurance premiums or provides benefits directly to employees).

**Government:** None; the cost of benefits for government employees.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

50% of the insured's monthly earnings, up to 540 shillings, is paid after a three-day waiting period; if the incapacity lasts for more than three days, the benefit is paid retroactively for up to 12 months.

The maximum total temporary disability benefit is 240,000 shillings.

The insured's doctor, a National Social Security Fund doctor, and the Director of Medical Services in the Ministry of Health assess the disability.

Benefit adjustment: Benefits are adjusted periodically by the Minister of Labor.

### **Permanent Disability Benefits**

**Permanent disability benefit:** A lump sum of 96 months of the insured's earnings is paid, up to 240,000 shillings.

**Partial disability benefit:** A lump sum of 60 months of the insured's earnings is paid, up to 240,000 shillings.

The insured's doctor, a National Social Security Fund doctor, and the Director of Medical Services in the Ministry of Health assess the disability.

Benefit adjustment: Benefits are adjusted periodically by the Minister of Labor.

### **Survivor Benefits**

**Survivor benefit:** A lump sum of 60 months of the deceased's earnings is paid to survivors who were fully dependent on the deceased; if there are no fully dependent survivors, a reduced benefit is paid to survivors who were partially dependent.

The minimum benefit is 35,000 shillings.

The maximum benefit is 240,000 shillings.

**Funeral grant:** A lump sum of the cost of the funeral is paid to dependents; the employer pays 2,000 shillings if there are no dependents.

Benefit adjustment: Benefits are adjusted periodically by the Minister of Labor.

### **Administrative Organization**

Ministry of Labour, Social Security and Services (<http://www.labour.go.ke>) enforces the law, approves settlements, and pays benefits.

Employers insure against liability with private insurance companies.