

Tanzania

Exchange rate: US\$1.00 = 2,178 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 law harmonized five mandatory pension schemes (including the public-sector scheme). The information below applies to all schemes unless otherwise stated.

Coverage

Employed persons.

Voluntary coverage for self-employed persons.

Source of Funds

Insured person: 10% of gross salary.

The insured person's contributions also finance cash maternity benefits and medical 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 and medical benefits.

Employer: At least 10% of gross payroll; may contribute up to 20%.

The employer's contributions also finance cash maternity benefits and medical benefits.

Government: None; contributes as an employer.

Qualifying Conditions

Old-age pension: Age 60 with at least 180 months of contributions. The contribution requirement is reduced for workers who join the scheme at older ages, ranging from 165 months of contributions (if age 45) to 45 months (if aged 55 to 59).

Employment must cease.

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

Deferred pension: The pension may be deferred beyond 60. There is no maximum age.

Old-age grant: Age 60 and does not qualify for an old-age pension.

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.

The disability pension may be replaced by an old-age pension at the normal retirement age if the value of the old-age pension is at least equal to the disability pension.

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

Disability grant: Must be assessed with at least a 66.7% loss of earning capacity and does not qualify for an old-age or disability pension.

Survivor pension: The deceased 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 upon remarriage.

Survivor grant: The deceased received 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. The benefit can be claimed up to 60 days after the date of death.

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 and by 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 and by 25% of the APE, multiplied by a commutation factor of 12.5.

APE is the insured'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 monthly pension is 40% of the legal monthly minimum wage.

The legal monthly minimum wage ranges from 100,000 shillings to 400,000 shillings, according industry sector.

The maximum monthly 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 claimed before the normal retirement age. The pension must equal at least the minimum pension.

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

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

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

Old-age grant: A lump sum of the average of the insured's last 60 months of contributions before retirement multiplied by the number of months of contributions is paid.

Permanent Disability Benefits

Disability pension: The monthly pension is calculated by multiplying the accrual rate by the number of contribution months and by 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 monthly pension is calculated using 75% of APE. The lump sum is calculated by multiplying the accrual rate by the number of contribution months and by 25% of the APE, multiplied by a commutation factor of 12.5.

The accrual rate is 1/580 for the first 180 months of contributions and 1/1200 for additional months of contributions.

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

The legal monthly minimum wage ranges from 100,000 shillings to 400,000 shillings, according to industry sector.

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

Disability grant: A lump sum is paid.

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

Survivor Benefits

Survivor pension

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 pension is also paid. If there is more than one widow, the pension is split equally.

The spouse'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.

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

Survivors may choose to receive part of the pension as a lump sum. The lump sum is calculated by multiplying the accrual rate by 25% of the insured's Annual Pensionable Emoluments (APE), multiplied by a commutation factor of 12.5.

APE is the deceased's average annual earnings in the best three of the last 10 years before death.

The accrual rate is 1/580 for the first 180 months of contributions and 1/1200 for additional months of contributions.

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

The legal monthly minimum wage ranges from 100,000 shillings to 400,000 shillings, according to industry sector.

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

Survivor grant: A lump sum of 12 months of the old-age or disability pension the deceased received 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: Benefits are reviewed periodically and may be adjusted according to the actuarial valuation of the schemes' funds.

Administrative Organization

Prime Minister's Office, Labour, Youth, Employment and Persons with Disability (<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 (<https://www.nssf.or.tz/>), PPF Pensions Fund (<http://www.ppf.or.tz/>), GEPF Retirement Benefits Fund (<http://www.gepf.or.tz/>), LAPF Pensions Fund (<http://www.lapf.or.tz/>), and Public Service Pensions Fund (<https://www.pspf.go.tz/>) administer the programs.

Sickness and Maternity

Regulatory Framework

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

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

Coverage

Social insurance (cash maternity benefits): Employed and self-employed persons.

Voluntary coverage is available.

Social insurance (medical benefits): Employed and self-employed persons.

Employer liability: Employed persons.

Exclusions: Self-employed persons.

Source of Funds

Insured person

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

Employer liability: None.

Self-employed person

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

Employer liability: Not applicable.

Employer

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

Employer liability: The total cost.

Government

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

Employer liability: None.

Qualifying Conditions

Cash sickness benefits (employer liability): Must have been employed with the same employer for at least six months in the 12 months 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 and medical maternity benefits (social insurance): Must have at least 36 months of contributions including at least 12 months in the 36 months before the expected date of childbirth. Cash maternity benefits are paid to an insured woman only once in a three-year period.

Cash paternity benefits (employer liability): Must have been employed with the same employer for at least six months in the 12 months 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.

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

Sickness and Maternity Benefits

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

Maternity benefit (social insurance): A lump sum of up to 12 weeks of the insured's average daily wage in the six months before the 20th week of pregnancy is paid. The lump sum may be paid in two parts: four weeks before and eight weeks after childbirth (four weeks after childbirth for a stillborn child).

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.

Maternity medical benefits: Benefits include maternity care from accredited medical providers from the 24th week

of pregnancy to 48 hours after childbirth (seven days in case of a caesarean delivery).

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.

Administrative Organization

Prime Minister's Office, Labour, Youth, Employment and Persons with Disability (<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 (<https://www.nssf.or.tz/>), managed by a director general, administers the programs.

Work Injury

Regulatory Framework

First law: 1948.

Current law: 2008 (workmen's compensation), implemented in 2016.

Type of program: Social insurance system.

Note: The Workers Compensation Fund began collecting and administering work injury benefits on July 1, 2016.

Coverage

Employed persons.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

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

Government: None; contributes as an employer.

Qualifying Conditions

Must be registered with the Workers Compensation Fund and assessed with a work injury or an occupational disease by a recognized medical practitioner. Accidents that occur while commuting to and from work are covered.

Temporary Disability Benefits

If the insured is assessed with a total (100%) disability, 70% of the insured's monthly earnings immediately before

the work injury occurred or the occupational disease began is paid for up to 24 months or until full recovery or certification of permanent disability. The incapacity must last at least three days after the work injury occurred or the occupational disease began.

The minimum monthly benefit for a total disability is 275,702.83 shillings.

The maximum monthly benefit for a total disability is 3,685,852.69 shillings.

Partial temporary disability: A portion of the full temporary disability benefit for a total disability is paid, according to the assessed degree of disability. Under certain conditions, the benefit may be paid as a lump sum.

The maximum monthly benefit for a partial disability is 3,685,852.69 shillings.

Permanent Disability Benefits

Permanent disability benefit: If the insured is assessed with a total (100%) disability, 70% of the insured's monthly earnings immediately before the work injury occurred or the occupational disease began is paid until full recovery or certification of a permanent disability.

The minimum monthly benefit for a total disability is 275,702.83 shillings.

The maximum monthly benefit for a total disability is 3,685,852.69 shillings.

Partial disability: A portion of the full permanent disability benefit for a total disability is paid, according to the assessed degree of disability.

The maximum monthly benefit for a partial disability is 3,685,852.69 shillings.

Constant-attendance allowance: If the insured requires the constant attendance of others to perform daily functions, an additional allowance is paid.

Workers' Medical Benefits

Benefits include medical care and the cost of rehabilitation provided by accredited health care providers.

Survivor Benefits

Survivor pension

Spouse's pension: The widow(er) or cohabiting partner is paid either a monthly pension of 40% of the full permanent disability benefit the deceased would have been entitled to receive or a lump sum of two times the full permanent disability benefit.

Orphan's pension: 20% of the full permanent disability benefit the deceased would have been entitled to receive is paid for orphans younger than age 18 (no limit if studying at the secondary level or disabled); 40% for full orphans.

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Other dependent's pension: If there are no other eligible survivors. 40% of the full permanent disability benefit the deceased would have been entitled to receive is paid for totally dependent parents, siblings, grandparents, and grandchildren is paid; a lump sum is paid if partially dependent.

The maximum combined survivor pension is 100% of the full permanent disability benefit the deceased would have been entitled to receive.

Funeral grant: A grant is paid.

Administrative Organization

Prime Minister's Office, Labour, Youth, Employment and Persons with Disability (<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.

Workers Compensation Fund (<http://wcf.go.tz/>), managed by a board of trustees, 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.