Kenya

Exchange rate: US$1.00 = 101.80 shillings.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1965 (social security) and 2010 (constitution).

Current laws: 2010 (constitution); and 2013 (mandatory individual account and provident fund), implemented in 2014.

Type of program: Universal, mandatory individual account, and provident fund system.

Note: The 2013 National Social Security Fund Act replaced the old provident fund program with individual accounts (collectively called the pension fund) that are mandatory for all employed persons aged 18 to 60 and a new provident fund program. Members of the old provident fund program were automatically enrolled in the mandatory individual account program but may receive benefits from both the old and new programs.

Coverage

Universal: Citizens of Kenya.

Mandatory individual account: Public- and private-sector employees working in firms with at least one employee.

Voluntary coverage for self-employed persons.

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

Voluntary coverage for employed persons.

Special system for public-sector employees.

Source of Funds

Note: The 2013 law introducing the mandatory individual account and new provident fund system increased contribution rates and diverted contributions into two tiers: Tier 1 contributions to the National Social Security Fund (NSSF) and Tier 2 contributions to either the NSSF or a registered private pension plan. However, a 2014 court ruling delayed the implementation of this increase. The rates below are for both tiers combined.

Insured person

Universal: None.

Mandatory individual account and provident fund: 5% of monthly covered earnings. The voluntarily insured pay at least 100 shillings a month. Additional voluntary contributions are possible.

The maximum monthly earnings used to calculate mandatory contributions are 4,000 shillings.

There are no maximum earnings used to calculate voluntary contributions.

Self-employed person

Universal: None.

Mandatory individual account and provident fund: 5% of monthly covered earnings. The voluntarily insured pay at least 100 shillings a month. Additional voluntary contributions are possible.

The maximum monthly earnings used to calculate mandatory contributions are 4,000 shillings.

There are no maximum earnings used to calculate voluntary contributions.

Employer

Universal: None.

Mandatory individual account and provident fund: 5% of monthly covered payroll.

The maximum monthly earnings used to calculate mandatory contributions are 4,000 shillings.

Government

Universal: The total cost.

Mandatory individual account and provident fund: None; contributes as an employer.

Qualifying Conditions

Old-age pension (Inua Jamii 70+ programme, universal): Age 70 and not receiving any other pension.

Old-age benefit (Retirement Pension, mandatory individual account): Age 60.

Early old-age benefit: Age 50.

Employment must cease.

Old-age benefit (Age Benefit, provident fund): Age 50.

Employment must cease.

Emigration benefit (mandatory individual account and provident fund): Paid if a member emigrates to a country that does not have a reciprocal agreement with Kenya.

Disability pension (Invalidity Pension, mandatory individual account): 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.

Disability settlement (mandatory individual account): Must be assessed with a total permanent physical or mental incapacity and not meet the contribution requirements for the disability pension.

A medical board appointed by the National Social Security Board assesses the disability.

Disability benefit (Invalidity Benefit, provident fund): Must be assessed with a total permanent physical or mental incapacity, or be unable to work as the result of a partial disability.

A medical board appointed by the National Social Security Board assesses the disability.

Survivor pension (Survivor's Pension, mandatory individual account): 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. If there are no named survivors, survivors include (in order of priority) a dependent widow(er), orphans, parents, and siblings.

Survivor settlement (mandatory individual account): The deceased had less than 36 months of contributions.

Eligible survivors include persons named by the deceased. If there are no named survivors, survivors include (in order of priority) a dependent widow(er), orphans, parents, and siblings.

Survivor benefit (provident fund): Paid to named beneficiaries or dependent family members if a fund member dies before withdrawing his or her full account balance.

Funeral grant (mandatory individual account): Must have at least six months of contributions.

Eligible survivors include a widow(er) or, in the absence of a widow(er), the father, mother, brother, sister, or the person who paid for the funeral.

Old-Age Benefits

Old-age pension (Inua Jamii 70+ programme, universal): 2,000 shillings a month is paid.

Schedule of payments: The pension is paid every two months.

Old-age benefit (Retirement Pension, mandatory individual account): The insured has three payment options: purchase a life annuity from a registered insurer, take a partial lump sum (all of Tier 1 and a maximum of one third of Tier 2) and purchase an annuity with the remaining balance, or take a partial lump sum (all of Tier 1 and a maximum of one third of Tier 2) and receive the remaining balance as periodic payments.

Early old-age benefit: A benefit is paid.

Old-age benefit (Age Benefit, provident fund): A lump sum of total employee and employer contributions plus accrued interest is paid.

Emigration benefit (mandatory individual account and provident fund): A lump sum of total employee and employer contributions without accrued interest is paid.

Permanent Disability Benefits

Disability pension (Invalidity Pension, mandatory individual account): The monthly pension is based on the combined 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 normal retirement age, or 90 months, whichever is lower.

Disability settlement (mandatory individual account): A lump sum of total employee and employer contributions plus accrued interest is paid.

Disability benefit (Invalidity Benefit, provident fund): A lump sum of total employee and employer contributions plus accrued interest is paid.

Survivor Benefits

Survivor pension (Survivor's Pension, mandatory individual account): The monthly pension is based on the combined value of the deceased's Tier 1 and Tier 2 accounts 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.

Survivor settlement (mandatory individual account): A lump sum of total employee and employer contributions plus accrued interest is paid.

Survivor benefit (provident fund): A lump sum of total employee and employer contributions plus accrued interest is paid.

Funeral grant (mandatory individual account): A lump sum of 2,500 shillings is paid.

Administrative Organization

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

Ministry of Labour and Social Protection (http://www.socialprotection.go.ke/) administers the universal program.

National Social Security Fund (http://www.nssf.or.ke/) administers the mandatory individual account and provident fund programs.

Sickness and Maternity

Regulatory Framework

First laws: 1966 (hospital insurance) and 1976 (employment act).

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

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

Note: Under the Linda Mama Boresha Jamii program, pregnant women may receive a limited package of health care services free of charge.

Coverage

Social insurance: Employed and self-employed persons, including public-sector employees, with monthly earnings of at least 1,000 shillings.

Voluntary coverage for employed persons in the formal sector with monthly earnings of less than 1,000 shillings, pensioners, unemployed persons, and informal-sector workers.

Employer liability: Employed persons.

Exclusions: Self-employed persons, National Youth Service employees, family labor, and police and armed forces personnel.

Source of Funds

Insured person

Social insurance (medical benefits): A flat-rate contribution of 150 shillings to 1,700 shillings, depending on the insured's gross monthly income. The voluntarily insured pay a flat-rate contribution of 500 shillings a month.

Employer liability (cash benefits): None.

Self-employed person

Social insurance (medical benefits): At least 30 shillings a month.

There are no maximum earnings used to calculate contributions.

The voluntarily insured pay a flat-rate contribution of 500 shillings a month.

Employer liability (cash benefits): Not applicable.

Employer

Social insurance (medical benefits): None.

Employer liability (cash benefits): The total cost.

Government

Social insurance (medical benefits): None; the total cost of certain sponsored health programs.

Employer liability (cash benefits): None.

Qualifying Conditions

Cash sickness benefit (employer liability): Must have at least two months of continuous employment with the same employer and provide a medical certificate issued by a registered medical practitioner.

Cash maternity and paternity benefits (employer liability): There is no minimum qualifying period. Must give at least seven days written notice of intention to take leave on a specific date and to return to work thereafter. A medical certificate may be required.

Medical benefits (social insurance): There is no minimum qualifying period; the voluntarily insured must have at least 60 days of contributions.

Sickness and Maternity Benefits

Sickness benefit (employer liability): 100% of the employee's daily earnings is paid for the first seven days; thereafter, 50% of the employee's daily earnings is paid for seven days for every 12 consecutive months of employment.

Maternity benefit (employer liability): 100% of the employee's daily earnings is paid for three months.

Paternity benefit (employer liability): 100% of the employee's daily earnings is paid for two weeks.

Workers' Medical Benefits

Benefits are provided 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 720,000 shillings a year, according to a schedule in law. The amount varies based on three categories of hospitals accredited by the NHIF: free care at government hospitals; copayments of up to 130,000 shillings at certain private and faith-based hospitals for treatment requiring surgery; and unlimited copayments at all other private hospitals.

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.

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

Government hospitals provide free care for certain illnesses, including tuberculosis, HIV/AIDS, and other sexually transmitted diseases.

Dependents' Medical Benefits

Benefits for dependents are the same as those for the insured.

Administrative Organization

Ministry of Labour and Social Protection (http://www.socialprotection.go.ke/) provides general supervision of the employer-liability program.

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

National Hospital Insurance Fund (http://www.nhif.or.ke/healthinsurance/) administers medical benefits.

Work Injury

Regulatory Framework

First law: 1946.

Current laws: 2007 (work injury) and 2007 (employment).

Type of program: Employer-liability system through private carriers.

Coverage

Private-sector employees and public-sector employees not covered by a special system.

Exclusions: Self-employed persons, casual workers, and family labor.

Special system for civil servants, military, police, and correctional personnel.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

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

Government: None; contributes as an employer.

Qualifying Conditions

Must be assessed with a work injury or occupational disease. Occupational diseases are specified by law.

Temporary Disability Benefits

100% of the insured's daily earnings 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 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 Ministry of Labour and Social Protection.

Permanent Disability Benefits

For a total disability, a lump sum of 96 times the employee's last monthly earnings is paid, up to a maximum.

Partial disability: For a partial disability, a percentage of the full permanent disability benefit is paid based on the assessed degree of disability.

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 Ministry of Labour and Social Protection.

Survivor Benefits

Survivor benefit: A benefit is paid.

Eligible survivors include a widow(er), unmarried orphans younger than age 18, parents, siblings, and certain other dependents. The survivors must have been fully dependent on the deceased.

Funeral grant: A lump sum is paid to cover the cost of the funeral, up to a maximum.

Benefit adjustment: Benefits are adjusted periodically by the Ministry of Labour and Social Protection.

Administrative Organization

Ministry of Labour and Social Protection (http://www.socialprotection.go.ke/) enforces the law and approves the benefit amounts.

Employers insure work injury liability through private carriers or provide benefits directly to employees or dependent survivors.

Unemployment

Regulatory Framework

The 2007 Employment Act requires employers to provide severance pay in case of redundancy to dismissed employees with at least one year of service. The payment amount is at least 15 days of the employee's earnings for each year of service.