

## Tanzania

Exchange rate: US\$1.00 equals 1,275 shillings.

### Old Age, Disability, and Survivors

#### Regulatory Framework

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

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

Note: Under transitional rules, the provident fund system continues to operate for insured persons who opt to receive a lump-sum payment.

#### Coverage

Employees in the private sector (except in private companies covered by the parastatal special system), organized groups (such as cooperative members) in the formal sector, and public employees and self-employed persons not covered under the parastatal special system.

Voluntary coverage is possible.

Exclusions: Domestic workers.

Special contributory systems for employees of parastatal organizations, including private companies in which the government owns shares and parastatal organizations that have been restructured or sold; self-employed persons, including informal-sector workers; workers who start new employment when aged 46 or older; expatriates contributing to an equivalent program in their home country; persons with seasonal income; and local authority employees. Special noncontributory systems for armed forces personnel and political leaders.

#### Source of Funds

**Insured person:** 10% of gross earnings; voluntary contributors pay a monthly amount equal to 20% of declared income but no less than 20% of the legal minimum wage.

Previous contributions made to the National Provident Fund are converted into contribution credits.

Contributions are paid on behalf of insured women who are receiving maternity benefits.

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

**Self-employed person:** 20% of monthly earnings but no less than 20% of the legal minimum wage.

If not covered under the parastatal special system, the self-employed person's contributions also finance cash maternity

benefits, medical benefits, funeral grants, and work injury benefits.

**Employer:** 10% of gross payroll.

Contributions are paid on behalf of insured women who are receiving maternity benefits.

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

**Government:** None; contributes as an employer on behalf of public-sector employees.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 180 months of contributions; at any age if leaving the country permanently. Covered employment must cease.

Insured persons who were within 14 years of the pensionable age in July 1998 and who have fewer than 180 months of contributions at age 60 may receive a basic pension, as may be determined by the Director General of the National Social Security Fund.

Early pension: Paid from age 55 with at least 180 months of contributions.

Deferred pension: A deferred pension is possible. There is no maximum deferral period.

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

Old-age benefits are not payable abroad.

**Disability pension:** The insured must be assessed with a loss of at least 2/3 of earning capacity and have at least 180 months of contributions or 36 months of contributions including 12 months in the 36 months immediately before the disability began.

The disability is assessed by a medical board comprising doctors appointed by the Ministry of Health. The insured may be required to undergo a medical examination by the medical board.

**Disability grant:** Paid if the insured does not satisfy the qualifying conditions for a pension.

Disability benefits are not payable abroad.

**Survivor pension:** The deceased satisfied the qualifying conditions for an old-age or disability pension at the time of death.

**Survivor grant:** Paid if the deceased was a pensioner at the time of death.

Eligible survivors are a widow(er) and children younger than age 18 (age 21 if a full-time student, no limit if disabled). In the absence of a spouse and children, parents may be eligible.

Survivor benefits are not payable abroad.

**Funeral grant:** The insured had at least 1 month of contributions and was employed at the time of the death. The grant is paid to the person who pays for the funeral.

### **Old-Age Benefits**

**Old-age pension:** The pension is equal to 30% of the insured's average monthly earnings in the best 5 of the last 10 years before retirement, plus 1.5% of average monthly earnings for each 12-month period of coverage exceeding 180 months.

The insured receives a lump sum equal to 24 times the monthly pension in the first month and thereafter a monthly pension.

The minimum pension is equal to 80% of the monthly legal minimum wage.

The monthly legal minimum wage is 48,000 shillings (urban areas) and 35,000 shillings (rural areas).

The maximum pension is equal to 67.5% of the insured's monthly earnings used to calculate the pension.

Under transitional rules, an insured person who qualifies for an old-age pension can opt to receive a lump-sum payment under the former provident fund system.

**Early pension:** The pension is reduced by 0.5% of the insured's earnings used to calculate the pension for each 12-month period the pension is taken before age 60. The early pension is paid only if the calculated pension is at least equal to the minimum pension.

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

**Benefit adjustment:** Benefits are reviewed periodically by the Board of the National Social Security Fund and adjusted in line with the actuarial valuation of the fund and changes in the legal minimum wage.

**Old-age grant:** The grant is equal to the combined value of the last monthly contribution of the insured person and the employer times the number of months of contributions. There is no minimum benefit.

### **Permanent Disability Benefits**

**Disability pension:** The pension is equal to 30% of the insured's average monthly earnings in the best 5 of the last 10 years before the disability began, plus 1% of average monthly earnings for each 12-month period of coverage exceeding 180 months.

For benefit calculation purposes, the insured is credited with 1% of average monthly earnings for each year the disability began before the pensionable age.

The insured receives a lump sum equal to 24 times the monthly pension in the first month and thereafter a monthly pension.

The minimum pension is equal to 80% of the legal minimum wage.

The monthly legal minimum wage is 48,000 shillings (urban areas) and 35,000 shillings (rural areas).

The maximum pension is equal to 67.5% of 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 is at least equal to that of the disability pension.

**Benefit adjustment:** Benefits are reviewed periodically by the Board of the National Social Security Fund and adjusted in line with the actuarial valuation of the fund and changes in the legal minimum wage.

**Disability grant:** A lump sum is paid based on the value of contributions paid.

### **Survivor Benefits**

**Survivor pension:** 100% of the deceased's pension is paid to a widow(er) without dependent children; 40% of the deceased's pension is paid to the spouse if an orphan's pension is also payable. If there is more than one widow, the pension is split equally among them.

The pension ceases on remarriage.

The widow(er)'s pension is paid for a limited period of 2 years if the widow(er) is younger than age 45 or does not have a dependent child younger than age 15 at the date of the insured's death.

The minimum pension is equal to 80% of the legal minimum wage.

The monthly legal minimum wage is 48,000 shillings (urban areas) and 35,000 shillings (rural areas).

The maximum pension is equal to 67.5% of average monthly covered earnings.

**Orphan's pension:** 60% of the deceased's pension is split equally among eligible children; 100% for full orphans.

**Parent's pension (in the absence of other eligible survivors):** 100% of the deceased's pension is paid.

Eligible survivors receive a lump sum equal to 24 times the monthly pension in the first month and thereafter a monthly pension.

**Funeral grant:** A lump sum is paid between 75,000 shillings and 300,000 shillings.

**Benefit adjustment:** Benefits are reviewed periodically by the Board of the National Social Security Fund and adjusted in line with the actuarial valuation of the fund and changes in the legal minimum wage.

**Survivor grant:** A lump sum is paid equal to 12 months of the deceased's pension.

### **Administrative Organization**

Ministry of Labour, Youth, and Sports Development (<http://www.tanzania.go.tz/labour.htm>) provides general supervision.

Managed by a director general, the National Social Security Fund (<http://www.nssf.or.tz>) administers the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First and current law:** 1997 (social insurance), implemented in 2005.

**Type of program:** Social insurance system. Cash maternity benefit and medical benefits only.

#### **Coverage**

Employees in the private sector, organized groups (such as cooperative members) in the formal sector, and public employees and self-employed persons not covered under the parastatal special system.

Voluntary coverage is possible.

Exclusions: Domestic workers.

Special system for certain employees.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors, above; old-age pensioners may make a voluntary contribution equal to 6% of their monthly pension.

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

**Employer:** See source of funds under Old Age, Disability, and Survivors, above.

**Government:** See source of funds under Old Age, Disability, and Survivors, above.

#### **Qualifying Conditions**

**Cash sickness benefits:** No statutory benefits are provided.

**Cash maternity benefits:** The insured must have at least 36 months of contributions including 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 3-year period.

**Medical benefits:** The insured must have at least 3 months of contributions immediately before the onset of the medical contingency.

### **Sickness and Maternity Benefits**

**Sickness benefit:** No statutory benefits are provided.

**Maternity benefit:** The benefit is equal to 100% of the insured woman's average daily wage in the 6 months before the 20th week of pregnancy. The benefit is paid for up to 12 weeks in one or two installments: 4 weeks before and 8 weeks after childbirth (4 weeks after childbirth for a still-born child).

### **Workers' Medical Benefits**

Benefits include inpatient and outpatient health care services. Medical benefits are provided by accredited hospitals under agreement with the National Social Security Fund.

Prenatal and postnatal care is provided from the 24th week of pregnancy and ceases 2 days after childbirth; 7 days after childbirth for a cesarean section and up to 12 weeks after childbirth if prolonged care is necessary.

### **Dependents' Medical Benefits**

Benefits include inpatient and outpatient health care services. Medical benefits are provided by accredited hospitals under agreement with the National Social Security Fund.

Eligible dependents are 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, Youth, and Sports Development (<http://www.tanzania.go.tz/labour.htm>) provides general supervision.

Managed by a director general, the National Social Security Fund (<http://www.nssf.or.tz>) administers the program.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1948.

**Current law:** 1997 (social insurance), implemented in 2002.

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

#### **Coverage**

Employees in the private sector (except in private companies covered by the parastatal special system), organized groups (such as cooperative members) in the formal sector, and public employees and self-employed persons not covered under the parastatal special system.

Exclusions: Domestic workers.

Special system for certain employees.

#### **Source of Funds**

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

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

**Employer:** See source of funds under Old Age, Disability, and Survivors, above.

**Government:** See source of funds under Old Age, Disability, and Survivors, above.

### **Qualifying Conditions**

**Work injury benefits:** The insured must be registered with the National Social Security Fund and assessed with a work injury or an occupational disease.

### **Temporary Disability Benefits**

The benefit is equal to 50% of the insured's average daily wage and is paid for up to 26 weeks.

The average daily wage is based on the insured's earnings in the 6 months before the month the disability began.

### **Permanent Disability Benefits**

If the insured is assessed as totally disabled, the benefit is equal to 60% of the insured's average monthly earnings and is paid for a maximum of 7 years.

**Partial disability:** If the assessed degree of disability is less than 30%, a lump sum is paid. The maximum partial disability benefit is equal to 84 times the insured's average monthly earnings, according to the assessed degree of disability.

**Constant-attendance allowance:** Equal to 25% of the permanent disability benefit.

### **Workers' Medical Benefits**

Benefits include medical, surgical, hospital, and nursing care; prostheses; and the cost of medicines, appliances, and transportation up to predetermined ceilings.

### **Survivor Benefits**

**Survivor benefit:** A lump sum is paid equal to twice the deceased's average monthly earnings.

**Death benefit:** A lump sum is paid to eligible survivors, up to a maximum of 300,000 shillings.

### **Administrative Organization**

Ministry of Labour, Youth, and Sports Development (<http://www.tanzania.go.tz/labour.htm>) provides general supervision.

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### **Unemployment**

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#### **Regulatory Framework**

No statutory benefits are provided.

The labor code requires employers to provide severance pay to employees with continuous service of at least 3 months.