

## Tanzania

Exchange rate: US\$1.00 = 1,483 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 leave employment before retirement age and who remain out of work for at least six months.

#### Coverage

Workers 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 available.

Exclusions: Household workers.

Special contributory systems for employees of parastatal organizations; self-employed persons, including informal-sector workers; workers who start new employment after age 46; expatriates contributing in their country of residence; 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 20% of declared income but no less than 20% of the legal minimum wage.

The legal monthly minimum wage ranges from 65,000 shillings to 350,000 shillings, according to eight industry sectors.

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

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

The legal monthly minimum wage ranges from 65,000 shillings to 350,000 shillings, according to eight industry sectors.

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 receive 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.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 180 months of contributions; any age if permanently emigrating. 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 determined by the Director General of the National Social Security Fund.

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

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

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

**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 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. The insured may be required to undergo a medical examination by the medical board.

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

Disability benefits are not payable abroad.

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

**Survivor grant:** Paid if the insured did not meet the qualifying conditions for an old-age or disability pension 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). If there is no surviving spouse or child, parents of the deceased may be eligible.

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

Survivor benefits are not payable abroad.

**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:** 30% of the insured's average monthly earnings in the best five of the last 10 years before retirement plus 1.5% of average monthly earnings for each 12-month period of coverage exceeding 180 months is paid.

A lump sum of 24 times the monthly pension is paid in the first month and a monthly pension thereafter.

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

The legal monthly minimum wage ranges from 65,000 shillings to 350,000 shillings, according to eight industry sectors.

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

**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 pension must be 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 according to the actuarial valuation of the fund and changes in the legal minimum wage.

**Old-age grant:** The grant is the combined value of the insured's and employer's last monthly contributions multiplied by the number of months of contributions. There is no minimum benefit.

### **Permanent Disability Benefits**

**Disability pension:** 30% of the insured's average monthly earnings in the best five 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 is paid.

The insured is credited with 1% of average monthly earnings for each year the disability began before the pensionable age.

A lump sum of 24 times the monthly pension is paid in the first month and a monthly pension thereafter.

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

The legal monthly minimum wage ranges from 65,000 shillings to 350,000 shillings, according to eight industry sectors.

The maximum pension is 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 the disability pension.

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

### **Survivor Benefits**

**Survivor pension:** 100% of the deceased's pension 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 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 80% of the legal minimum wage.

The legal monthly minimum wage ranges from 65,000 shillings to 350,000 shillings, according to eight industry sectors.

The maximum pension is 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 (if there are no other eligible survivors):** 100% of the deceased's pension is paid.

A lump sum of 24 times the monthly pension is paid in the first month to each eligible survivor and a monthly pension thereafter.

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

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

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

### **Administrative Organization**

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

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

### **Sickness and Maternity**

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#### **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

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

Voluntary coverage is available.

Exclusions: Household workers.

Special system for certain employees.

### Source of Funds

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

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

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

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

### Qualifying Conditions

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

**Cash maternity benefits:** The insured 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.

**Medical benefits:** The insured must have at least three months of contributions immediately before the medical issue began.

### Sickness and Maternity Benefits

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

**Maternity benefit:** 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 installments: four weeks before and eight weeks after childbirth (four weeks after childbirth for a stillborn child).

### Workers' Medical Benefits

Benefits include inpatient and outpatient health care services. Accredited hospitals provide medical benefits under agreement with the National Social Security Fund.

Maternity care is provided from the 24th week of pregnancy and ceases two days after childbirth; seven days after

childbirth for a cesarean section; up to 12 weeks if prolonged care is necessary.

### Dependents' Medical Benefits

Benefits include inpatient and outpatient health care services. Accredited hospitals provide medical benefits 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 and Employment (<http://www.tanzania.go.tz/labour.htm>) provides general supervision.

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

Workers 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: Household workers.

Special system for certain employed workers.

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

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

#### 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**

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

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

### **Permanent Disability Benefits**

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

### **Survivor Benefits**

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

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

### **Administrative Organization**

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

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

### **Unemployment**

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#### **Regulatory Framework**

No statutory benefits are provided.

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