

## Tanzania

Exchange rate: US\$1.00 equals 1,054 shillings.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**Current and first 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 opted in 1998 to remain covered by the provident fund.

#### 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.

Voluntary coverage is possible.

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; the self-employed, including informal-sector workers; workers who start new employment when aged 46 or older; expatriates; 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 statutory 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.

All of the above contributions also finance cash maternity benefits, medical benefits, and work injury benefits.

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

All of the above contributions also finance cash maternity benefits, medical benefits, and work injury benefits.

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

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

All of the above contributions also finance cash maternity benefits, medical benefits, and work injury benefits.

**Government:** None; contributes as an employer for public-sector employees.

#### Qualifying Conditions

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

Insured persons who were within 14 years of the retirement 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:** 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 and less than 180 months of contributions. Covered employment must cease.

Old-age benefits are not payable abroad.

**Disability pension:** A loss of 2/3 of earning capacity with at least 180 months of contributions or 36 months of contributions including 12 months in the 36 months immediately before the onset of disability.

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

**Disability grant:** The insured does not meet 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:** 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 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:** One month of contributions and employed at the time of the death. The grant is payable to the person who paid 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% for each 12-month period of insurance coverage beyond 180 months.

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

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

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

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

Under the provident fund transition rules, an insured person who qualifies for an old-age pension within the first 5 years of operation of the National Social Security Fund (NSSF) may opt for a lump-sum payment under the former provident fund or a monthly pension under the NSSF.

**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 early pension is taken before age 60. The early pension can be 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.

**Old-age grant:** The grant is equal to the insured's last monthly contribution times the number of months of contributions and is based on both employee and employer contributions. There is no minimum benefit.

**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.

### **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 onset of disability, plus 1% for each 12-month period of insurance coverage beyond 180 months.

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

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

The maximum pension is 67.5% of average monthly insurable earnings.

The disability pension can be converted into an old-age pension at age 60 if the old-age pension is equal to or higher than the disability pension.

Under the provident fund transition rules, an insured person who qualifies for a disability pension within the first 5 years of operation of the National Social Security Fund may opt for a lump-sum payment under the former provident fund or a monthly pension under the NSSF.

**Disability grant:** A lump-sum payment based on contributions.

**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.

### **Survivor Benefits**

**Survivor pension:** 100% of the pension is payable to a widow(er) without dependent children; 40% of the deceased's pension is payable 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 80% of the legal minimum wage.

The maximum pension is 67.5% of average monthly insurable 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.

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

Under the provident fund transition rules, survivors who qualify for a survivor pension within the first 5 years of operation of the National Social Security Fund may opt for a lump-sum payment under the former provident fund or a monthly pension under the NSSF.

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

**Funeral grant:** A lump sum is paid (between 75,000 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.

### **Administrative Organization**

Ministry of Labor and Youth Development provides general supervision.

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

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### **Sickness and Maternity**

#### **Regulatory Framework**

**First and current law:** 1997 (social insurance), implemented in 1999.

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

#### **Coverage**

Employees in the private sector (except private companies covered under 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 for old-age pensioners.

Exclusions: Domestic workers.

Special system for public-sector employees.

### Source of Funds

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

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

**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:** Thirty-six months of contributions including 12 months in the 36 months immediately before the expected date of childbirth. Cash maternity benefits are payable to an insured woman only once in each 3-year period.

**Medical benefit:** Three 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 earnings in the 6 months before the 20th week of pregnancy. The benefit is paid for 12 weeks in two installments: 4 weeks before and 8 weeks after childbirth (4 weeks after childbirth for a stillborn child).

**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.

### 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 delivery 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.

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 delivery if prolonged care is necessary.

Eligible dependents are the spouse and up to four of the insured's children.

### Administrative Organization

Managed by a director general, the National Social Security Fund (<http://www.nssftz.com>) 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.

### 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:** Must be registered with the National Social Security Fund and assessed with a work injury or occupational disease.

### Temporary Disability Benefits

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

### ***Permanent Disability Benefits***

The benefit is equal to 60% of the insured's average daily earnings and is payable for up to 7 years.

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 equal to twice the deceased's average monthly earnings.

**Funeral grant:** A lump sum of up to 300,000 shillings is payable to the person who paid for the funeral.

### ***Administrative Organization***

Ministry of Labor and Youth Development provides general supervision.

Managed by a director general, the National Social Security Fund (<http://www.nssftz.com>) 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 continuous service of at least 3 months.