

Tanzania

Exchange rate: US\$1.00 equals 1,334 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

Employed 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 possible.

Exclusions: Household 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 20% of declared income but no less than 20% of the legal minimum wage.

The monthly legal minimum wage ranges from 65,000 shillings to 350,000 shillings, according to 8 sectors.

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

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

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

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

The monthly legal minimum wage ranges from 65,000 shillings to 350,000 shillings, according to 8 sectors.

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 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 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 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 66.7% of earning capacity and have a total of 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 is assessed by a medical board of 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 disability 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 insured did not satisfy the qualifying conditions for a 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). In the absence of a spouse and children, 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 1 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: 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 a monthly pension thereafter.

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

The monthly legal minimum wage ranges from 65,000 shillings to 350,000 shillings, according to 8 sectors.

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 according to 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 employer multiplied by 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 a monthly pension thereafter.

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

The monthly legal minimum wage ranges from 65,000 shillings to 350,000 shillings, according to 8 sectors.

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 according to 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 widow(er) 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 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 time of the insured's death.

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

The monthly legal minimum wage ranges from 65,000 shillings to 350,000 shillings, according to 8 sectors.

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 a monthly pension thereafter.

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

Funeral grant: A lump sum is paid, up to 300,000 shillings.

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, 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

Employed 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 possible.

Exclusions: Household 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 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 3-year period.

Medical benefits: The insured must have at least 3 months of contributions immediately before the medical issue began.

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 stillborn 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; up to 12 weeks 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

Employed 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, 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

Permanent disability benefit: If the insured is assessed with a total disability, the benefit is equal to 60% of the insured's average monthly earnings and is paid for up to 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: 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 medicines, appliances, and transportation up to a maximum.

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 300,000 shillings.

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.

Unemployment

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.