

Kenya

Exchange rate: US\$1.00 = 102.45 shillings.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1965 (social security).

Current law: 2013 (mandatory individual account and provident fund), implemented in 2014.

Type of program: Mandatory individual account and voluntary provident fund system.

Note: The 2013 National Social Security Fund Act replaced the old provident fund with individual accounts (collectively called the pension fund) that are mandatory for all employed persons aged 18 to 60 and a new voluntary provident fund. Members of the old provident fund were automatically enrolled in the mandatory individual accounts; their assets in the old provident fund remain there.

Coverage

Mandatory individual account: Employed persons in companies 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 pension fund 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 scheme. However, a 2014 court ruling delayed the implementation of this increase. The rates below are for both tiers combined.

Insured person: 5% of monthly earnings. The voluntarily insured pay at least 100 shillings a month.

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: 5% of monthly earnings. The voluntarily insured pay at least 100 shillings a month.

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

There are no maximum earnings used to calculate voluntary contributions.

Employer: 5% of monthly payroll.

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

Government: None; contributes as an employer.

Qualifying Conditions

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

Early old-age benefit: Age 50.

Employment must cease.

Old-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 benefit (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 benefit (provident fund): Must be assessed with a total permanent physical or mental incapacity.

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

Survivor benefit (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.

Survivor benefit (provident fund): Paid if a fund member dies before withdrawing the full account balance.

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

Eligible survivors include a widow(er); if there is no widow(er), the father, mother, brother, sister, or the person who paid for the funeral.

Old-Age Benefits

Old-age benefit (mandatory individual account): The insured has three 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 balance, or take a partial lump sum (all of Tier 1 and a maximum of one third of Tier 2) and receive the balance as periodic payments.

Early old-age benefit: A benefit is paid.

Old-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 benefit (mandatory individual account): The benefit 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 retirement age, or 90 months, whichever is lower.

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

Survivor Benefits

Survivor benefit (mandatory individual account): The survivor benefit 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 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 10,000 shillings is paid.

Administrative Organization

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

National Social Security Fund (<http://www.nssf.or.ke/>) administers the programs.

Sickness and Maternity

Regulatory Framework

First law: 1966 (hospital insurance).

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

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

Coverage

Social insurance: Employed and self-employed persons, including public-sector employees, earning at least 1,000 shillings a month.

Voluntary coverage for employed persons in the formal sector earning less than 1,000 shillings a month, pensioners, unemployed persons, and informal-sector workers.

Employer liability: Employed persons.

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

Source of Funds

Insured person

Social insurance: 150 shillings to 1,700 shillings a month. The voluntarily insured pay a flat rate of 500 shillings a month.

Employer liability: None.

Self-employed person

Social insurance: At least 30 shillings a month.

There are no maximum earnings used to calculate contributions.

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

Employer liability: Not applicable.

Employer

Social insurance: None.

Employer liability: The total cost.

Government

Social insurance: None.

Employer liability: None; the total cost of certain sponsored health programs.

Qualifying Conditions

Cash sickness benefits (employer liability): Must have had at least two consecutive months of service with an employer. The employee must provide an appropriate medical certificate issued by a registered medical practitioner.

Cash maternity and paternity benefits (employer liability): Must give at least seven days written notice of intention to take leave on a specific date and to return to work thereafter.

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 each twelve consecutive months of service.

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 paid 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 432,000 shillings a year, according to a schedule in law. The amount varies according to three categories of hospitals accredited by the NHIF: free care at government hospitals; copayments of up to 15,000 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

Medical benefits for dependents are the same for dependents are the same as for the insured.

Administrative Organization

Ministry of Labour, Social Security, and Services (<http://www.labour.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: 1974 (workmen's compensation), 2007 (work injury), and 2007 (employment).

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

Coverage

Public- and private-sector employees.

Exclusions: Professional employees earning more than 4,000 shillings a month, self-employed persons, casual workers, and family labor.

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; the cost of benefits for government employees.

Qualifying Conditions

There is no minimum qualifying period.

Temporary Disability Benefits

50% 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 maximum daily temporary disability benefit is 540 shillings.

The maximum total temporary disability benefit is 240,000 shillings.

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 Minister of Labor.

Permanent Disability Benefits

If the insured is assessed with a total disability, a lump sum of 96 months of the insured's monthly earnings is paid.

Partial disability: If the insured is assessed with a partial disability, a lump sum of 60 months of the insured's monthly earnings is paid.

The maximum permanent disability benefit is 240,000 shillings.

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 Minister of Labor.

Survivor Benefits

Survivor benefit: A lump sum of 60 months of the deceased's monthly earnings is paid to survivors who were fully dependent on the deceased; if there are no fully dependent survivors, a reduced benefit is paid to survivors who were partially dependent.

The minimum survivor benefit is 35,000 shillings.

The maximum survivor benefit is 240,000 shillings.

Funeral grant: A lump sum of the cost of the funeral is paid to dependents; the employer pays 2,000 shillings if there are no dependents.

Benefit adjustment: Benefits are adjusted periodically by the Minister of Labor.

Administrative Organization

Ministry of Labour, Social Security, and Services (<http://www.labour.go.ke/>) enforces the law and approves settlements.

Employers provide benefits directly to employees or through private insurance companies.