

***SUBSIDIARY LEGISLATION***

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**THE SOCIAL SECURITY (REGULATORY AUTHORITY) ACT,  
(CAP. 135)**

**REGULATIONS**

*(Made under section 25A)*

SOCIAL SECURITY SCHEMES (BENEFITS) REGULATIONS, 2018

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SOCIAL SECURITY SCHEMES (BENEFITS) REGULATIONS, 2018

**PART I  
PRELIMINARY PROVISIONS**

Citation	<b>1.-</b> (1) These Regulations may be cited as the Social Security Schemes (Benefits) Regulations, 2018.
Application	<b>2.-</b> (1) These Regulations shall, subject to sub-regulation (2), apply to all schemes operating in Mainland Tanzania. (2) Notwithstanding sub-regulation (1), application of the provisions of these Regulations to the National Social Security Fund shall be in relation to the benefits, the computation of which is not provided for in the National Social Security Fund Act.
Cap. 50	
Interpretation	<b>3.</b> In these Regulations, unless the context otherwise requires -
Cap. 135	“Act” means the Social Security (Regulatory Authority) Act; “Authority” means the Social Security Regulatory Authority established under section 4 of the Social Security (Regulatory Authority) Act; “annual pensionable emolument” means the emolument which is taken for the purposes of computing any pension granted to the member under the schemes laws; “commutation” means a process of converting part of pension amount payable in the future income stream to present value terms to be paid to a pensioner as a

	lump sum;
	"commutation factor" means the actuarial neutral factor used to calculate pension lump sums at retirement;
	"commutation rate" means the rate of pension payable up front as commuted pension;
	"compulsory retirement age or pensionable age" means the age of sixty years or any other age statutorily provided as such by any other written law;
	"defined benefit scheme" means a type of retirement scheme in which benefits are pre-determined in an instrument of establishment of a scheme where individual contributions are matched with the required resources to meet the benefit cost for a specific time;
Act No. 2 of 2018 and Cap. 50	"Fund" means the Public Service Social Security Fund established under the Public Service Social Security Fund Act and, where the context so requires, the National Social Security Fund Act;
Cap. 50	"mandatory defined benefit schemes" includes-
	(a) the National Social Security Fund or in its acronym "NSSF" established under the National Social Security Fund Act; and
Act No. 2 of 2018	(b) the Public Service Social Security Fund or in its acronym "PSSSF" established under the Public Service Social Security Fund Act;
	"Minister" means the Minister responsible for social security matters;
	"reduction factor" means actuarial neutral factor reduced from a monthly pension in lieu of voluntary retirement;
	"retirement age" means the age of voluntary retirement or compulsory retirement prescribed in the respective schemes laws and includes any other retirement age statutorily provided by any other written law;
	"salary" has the same meaning ascribed to it by the respective schemes laws;
	"sectoral minimum wage" means the minimum wage as set by the respective sectoral minimum wage board;
	"scheme" means the mandatory pension schemes in Tanzania Mainland;
Act No. 2 of 2018 and Cap. 50	"schemes laws" means the Public Service Social Security Fund Act and National Social Security Fund Act; and
	"voluntary retirement age" means the age of fifty five years and includes any age thereafter prior attaining compulsory

retirement age or any other age statutorily provided as such by any other written law;

PART II  
LONG TERM BENEFITS

Qualifying  
conditions for old  
age pension benefit

**4.** A person shall not qualify for old age pension benefit unless such person has-

- (a) contributed to the Fund for the period of not less than one hundred and eighty months; and
- (b) attained the retirement age.

Retirement age

**5.-(1)** A member may retire-

- (a) compulsorily, at the age of sixty years; or
- (b) voluntarily, any time upon attaining the age of fifty five;

(2) A member whose statutory terms of employment prescribe an age of retirement shorter or longer than the age provided for under sub regulation (1), shall retire in accordance with such prescribed terms.

Termination of  
employment in the  
public interest

**6.-(1)** A member terminated from employment on public interest prior attaining voluntary retirement age and has contributed to the Fund for not less than one hundred and eighty (180) months-

- (a) shall be paid commuted pension; and
- (b) his pension shall be deferred and payable in accordance with regulation 11.

(2) A member who is terminated from employment on public interest prior attaining the age voluntary retirement and whose contribution period is less than one hundred and eighty months, shall be entitled to special lumpsum.

Pension benefit  
factors

**7.-(1)** Pension benefit factors to be used in the formula for calculating full pension shall include-

- (a) annual accrual factor of 2.07 *per-centum* of the annual pensionable emolument or 1/580 of the monthly pensionable emolument per month;
- (b) commutation factor of 12.5;
- (c) commutation rate of 25 *per-centum* of full pension; and
- (d) monthly pension of 75 *percentum* of full pension

divided by 12.

(2) A full pension referred to under subregulation (1) shall comprise of commuted pension and monthly pension.

Pension formula

**8.-(1)** Subject to sub regulation (2), pension benefits under the respective schemes laws shall be calculated as follows:

(a) full pension-

$\frac{1}{580} \times \text{number of months served} \times \text{annual pensionable emoluments};$

(b) commuted pension-

$(\frac{1}{580} \times \text{number of months served} \times \text{annual pensionable emoluments}) \times 12.5 \times 25 \text{ per-centum};$

(c) monthly pension-

$\frac{1}{580} \times \text{number of months served} \times \text{annual pensionable emoluments}) \times 75 \text{ per-centum} \times \frac{1}{12}.$

(2) Notwithstanding sub regulation (1), pension benefit for a member who joined the Public Service Pension Fund, GEPP Retirement Benefit Fund and the LAPF Pension Fund prior to 1<sup>st</sup> July, 2014, who at the date of commencement of the Public Service Social Security Fund Act, has attained voluntary retirement age shall be-

(a) a total of pension benefit attained for the period ending on the date prior to the commencement of the Public Service Social Security Fund Act; and

(b) the period commencing on the date of commencement of the Public Service Social Security Fund Act to the date of retirement.

(3) Notwithstanding regulation 7 and subregulation (1) of this regulation, pension benefit for the period ending on the date prior to the date of commencement of the Public Service Social Security Fund Act, shall be calculated as follows:

(a) full pension-

$\frac{1}{540} \times \text{number of months served prior to the date of commencement of the Public Service Social Security Fund Act} \times \text{annual pensionable emoluments};$

(b) commuted pension-

$(\frac{1}{540} \times \text{number of months served prior to the date of commencement of the Public Service$

Social Security Fund Act x Annual Pensionable Emoluments) x 15.5 x 25 percentum;

(c) monthly pension-

$1/540 \times \text{number of months prior to the date of commencement of the Public Service Social Security Fund Act x annual pensionable emoluments} \times 75 \text{ percentum} \times 1/12.$

(4) The pension benefit for the period commencing on the date of commencement of the Public Service Social Security Act shall, for the months served after the date of commencement, be calculated using the formula under subregulation (1).

(5) Monthly pension of a pensioner whose pension benefit is calculated under this regulation shall be indexed in a manner prescribed in regulation 11.

Annual pensionable emolument

**9.** Subject to regulation 8, annual pensionable emoluments shall be-

- (a) for the purpose of calculating pension pursuant to regulation 8(1), an average of the highest three years salaries which a member received during the last ten years preceding his retirement, and
- (b) for the purpose of calculating pension pursuant to regulation 8(2), the last salary which a member received preceding his retirement

Commencement of payment of pension

**10.** The payment of pension shall commence on the month following the month which the member ceased to receive salary due to retirement.

Pension indexation

**11.**-(1) Indexation rate for a monthly pension shall be fifty *per-centum* of the prevailing inflation rate provided that inflation rate ranges between one *per-centum* to ten *percentum*.

(2) Where inflation rate is above ten *percentum*, indexation rate shall be five *percentum*.

(3) Where inflation rate is below one *per-centum*, indexation shall not apply for the inflation.

(4) The Minister shall review pension indexation rate under this regulation after every three years.

(5) Notwithstanding sub regulation (4), the Minister

may, where he is considers necessary and after taking into consideration the sustainability of the Fund, review the pension indexation rate at any time before expiration of period of three years.

Deferred pension

**12.-(1)** A member who has contributed to the Fund for a period of not less than one hundred and eighty months but has not reached retirement age shall, on termination of service -

- (a) due to appointment to a political post where there is specific arrangement for retirement benefit;
- (b) due to retrenchment;
- (c) as a result of restructuring of office;
- (d) on abolition of public office;

be granted a commuted pension and his monthly pension be deferred until he attains the age of fifty five.

(2) The commuted and monthly pension payable under these Regulations shall be calculated in accordance with the provisions of regulation 8:

Provided that the the deferred monthly pension shall be indexed pursuant to the provisions of these Regulations until the date on which the member whose pension was deferred attains the age of voluntary retirement.

Special lumpsum

**13.-(1)** Except as otherwise provided in these Regulations, a member who exits the Fund before qualifying for pension shall be paid a special lumpsum.

(2) The special lumpsum shall be an amount equal to the sum of the member's monthly contributions paid to the Fund plus an interest calculated in a manner prescribed by the Authority.

(3) The amount applicable in calculating special lumpsum shall be compounded annually.

Minimum pension

**14.-(1)** The minimum monthly retirement pension payable to a member shall not be less than forty *per-centum* of sectoral minimum wage prescribed in accordance with the Labour Institutions Act for which the pensioner saved prior to his retirement or the pension a pensioner was receiving before the commencement of these Regulations, whichever is greater.

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(2) The minimum pension under sub regulation (1) shall not apply to a member who opts for early retirement for the period before attaining the age of compulsory retirement.



Reduction factor

**15.-(1)** A reduction factor of 0.3 *per-centum* shall be applied on monthly pension of a member who opts for early retirement.

(2) A pension reduction factor shall apply on each completed month before reaching the compulsory retirement age.

(3) The reduction factor referred to under sub regulation (1) shall not apply to-

- (a) a commuted pension of a member who opts for early retirement; and
- (b) a member whose retirement or exit from employment was involuntary.

Invalidity benefits

**16.-(1)** Invalidity pension shall be payable to a member who-

- (a) is terminated from employment due to illness which is not work related sickness or accident; or
- (b) is suffering from a permanent invalidity which is not resulted from employment related illness or accident;
- (c) is below the age of voluntary retirement; and
- (d) has been in service for at least thirty six months of which twelve months have been contributed in the year preceding the illness.

(2) The rate of invalidity benefit shall be determined in accordance with the provision of regulation 8, provided that the minimum pension shall not be less than thirty *per-centum* of annual pensionable emolument divided by twelve payable monthly.

(3) Invalidity pension shall be indexed in a manner provided in regulation 11.

Death gratuity

**17.-(1)** Where a member dies while in service, his dependants shall be entitled to death gratuity in the following manner-

- (a) special lump sum or annual pensionable emoluments, whichever is greater, of the deceased member whose contributing period is less than one hundred and eighty months; or
- (b) commuted pension and survivors monthly pension which shall be calculated in a manner prescribed in

these Regulations.

(2) A widow or widower, shall be entitled to forty *per-centum* of the death gratuity, and where there are more than one widow, the amount shall be divided equally among them.

(3) Children of the deceased member shall, subject to provisions of these Regulations, be entitled to sixty *per-centum* of the death gratuity.

(4) where there are no dependant children, the widow or widower shall be paid 100 *per-centum* of the death gratuity.

(5) Where there is no widow or widower, the dependent children shall be paid 100 *per-centum* of the death gratuity.

(6) Where the deceased member has a child or children attending school, death gratuity shall be split into two halves, where-

(a) one half shall be used to cover education benefit to be administered by the scheme; and

(b) the other half shall be distributed equally among the survivors.

(7) Notwithstanding the provisions of subregulations (2) and (3), the Court may, after taking into consideration of the needs and best interest of the widow or widower as the case may be and the children concerned, vary the distribution of death gratuity provided that, in so doing, the Court shall assign reasons for such variation.

Survivors pension

**18.**-(1) Survivors pension shall be paid to dependants of the deceased member who has contributed to the Fund for a period of not less than one hundred and eighty months.

(2) Survivors pension shall be calculated in accordance with the provisions of regulation 8(1)(c).

Basis of survivor pension

**19.**-(1) Survivors pension shall be payable on the following basis-

(a) in the case of the widow or widower who at the date of death is 45 years of age or above or who is under the age of 45 years and has the care of dependent children under the age of 15 years, for life or until re-marriage;

(b) in the case of child under the age of 21 years receiving full time education or a child under the age of 18 years, as the case may be, shall be paid 60 *percentum* of the pension to be divided equally among the children.

(2) Where the deceased member is not survived by widow or widower, 100 *per-centum* of the pension shall be divided equally among the dependent children.

(3) Without prejudice to the respective schemes laws, where the deceased member is not survived by dependent children or dependent spouse, 100 *percentum* of the pension shall be paid to the parents of the deceased for life.

(4) The entitlement amount prescribed under sub regulation (1) shall be paid in compliance with the procedures of the court relating to distribution of deceased property or estate.

PART III  
SHORT TERM BENEFITS

Unemployment  
benefits

**20.** Unemployment benefit shall be payable on monthly basis at the rate equivalent to 33.3 *percentum* of the salary earned at the time of ceasing to be employed.

Duration of  
unemployment  
benefits

**21.-(1)** The unemployment benefit shall, unless a member secures another employment, be paid for a maximum period of six months within twelve months:

Provided that unemployment benefit shall not be paid for a period exceeding an aggregate of eighteen months for entire employment circle or career.

(2) Where the period for which a member is entitled to receive unemployment benefit pursuant to subregulation (1) expires and the member has not secured another employment within eighteen months after the date of expiration of the period of receiving unemployment benefit, he may apply to the Director General to convert his contribution into supplementary scheme of his choice.

(3) The member whose contributions are converted under sub regulation (2) may continue to contribute to the supplementary scheme subject to the trust deed or rule governing the respective scheme.

(4) Where such member's contributions are converted to a supplementary scheme, the amount to be converted shall

be special lump sum minus total amount of unemployment benefit accessed.

(5) Notwithstanding sub regulation (2), a member whose contribution period is below eighteen months shall, upon ceasing to be employed, be entitled to a payment of fifty *per-centum* of the total contribution.

(6) Where the member has not secured another employment within eighteen months after the date of expiration of the period of receiving a payment of fifty *per-centum* of the total contributions, such member may apply to the Director General to convert his remaining contribution into supplementary scheme and he may continue to contribute to the supplementary scheme subject to the trust deed or rule governing the supplementary scheme.

(7) The amount to be converted to supplementary scheme shall be computed as special lump sum minus the amount paid under sub regulation (6).

Sickness benefit

**22.-(1)** The sickness benefit shall be payable to a member who-

(a) is suffering from a sickness or accident which is not resulted from employment injury for more than three months, and the employer has exercised his obligation in accordance with Employment and Labour Relations Act or the Public Service Act, as the case may be, to pay him a half salary for a period of three months prior to termination from the employment;

(b) is under the age of voluntary retirement; and

(c) has contributed to the scheme for at least thirty six months of which twelve months contributions have been made in the year preceding the sickness.

Cap. 366  
Cap. 298

Cap 366

(2) The Fund shall pay sickness benefit under these Regulations after the first 63 days of sick leave payable in accordance with employment and labour relations Act and shall be payable for a maximum period of three months.

Rate of sickness benefit

**23.** The rate of sickness benefit shall be forty *per-centum* of the monthly salary enjoyed by the member prior to the sickness.

Access to mortgage

**24.-(1)** Subject to sub regulation (3) and the procedure

laid down in the operational manual of the respective schemes, a member may use part of his benefit entitlements as collateral for home mortgage.

(2) The amount to be accessed for home mortgage shall not exceed fifty *per-centum* of-

- (a) special lumpsum, for a member who has contributed to the Fund for a period of less than one hundred and eighty months; and
- (b) entitlement of pension, for a member who has contributed to the Fund for a period of not less than one hundred and eighty months.

(3) For the purpose of this regulation, schemes shall enter into agreement with commercial banks for the provision of home mortgage.

Conditions for  
granting mortgage  
facility

**25.** Subject to other conditions governing home mortgage, a member may access home mortgage facility if he fulfils the following conditions-

- (a) he is a member of a scheme;
- (b) he has contributed or deemed to have contributed to a scheme for at least ten years;
- (c) repayment of the facility shall not go beyond the member's compulsory retirement age; and
- (d) he is a Tanzanian citizen.

#### PART IV GENERAL PROVISIONS

Offences and  
penalties

**26.-(1)** Any scheme or person who contravenes any provision of these Regulations commits an offence and shall be liable to penalty as stipulated under the Act.

(2) Notwithstanding the penalty imposed under sub regulation (1), the Authority may-

- (a) where the offence is committed by the scheme, direct such scheme to comply with these Regulations;
- (b) where the offence is committed by an officer, member of management or trustee, recommend for disqualification to the respective appointing authority of such officer, member of management or trustee;
- (c) take any other necessary measure it considers

appropriate for the better implementation of these Regulations.

Revocation and  
saving

**27.**-(1) The Social Security Schemes (Pension Benefits Harmonization) Rules, 2017 are hereby revoked.

(2) Notwithstanding the revocation of the Social Security Schemes (Pension Benefits Harmonization) Rules, 2017, transaction, claim or directive made or issued prior to the commencement of these Regulations shall not be affected.

Dodoma,  
....., 2018

JENISTA J. MHAGAMA  
*Minister of State, Prime Minister's Office  
Policy, Parliament, Labour, Youth, Employment  
and Persons with Disability*