



We Build Your Future

## 50th Anniversary STAKEHOLDERS' FORUM



### **50 YEARS OF NSSF MILESTONE ACHIEVEMENT**

From Pension Provider to Social Security Service  
Provision and Mega Investment In Real Estate for  
Economic Development of Tanzania



## 50th Anniversary STAKEHOLDERS' FORUM

### STAKEHOLDERS MEETING AND 50 YEARS OF NSSF – ARUSHA, 2014

#### President Kikwete launches new NSSF schemes

President Jakaya Mrisho Kikwete has launched the newly established NSSF schemes during the Fourth Stakeholders Meeting held in Arusha May last year.

The new schemes which NSSF will be running and coordinating are targeting farmers and small scale miners in Tanzania, known as Wakulima and Madini Schemes.

The schemes will enable the majority of people who were previously not covered with any social security services, to benefit from NSSF Pension remittance.

Officiating the new schemes, President Kikwete commended NSSF for the bold step taken to initiate small scale farmers and artisanal miners to benefit from social security schemes in the country.

Speaking at the meeting, the NSSF Director of Operations Mr. Crescentius Magori said the new schemes will benefit both small scale farmers and

small scale miners. He added that, the mining scheme covers all seven benefits stipulated in NSSF Act including employment injury, SACCOS loan, loans for affordable house, SHIB, Maternity, old ages pension and survivors pension.

In this program NSSF will register artisanal miners and who will contribute monthly remittance starting from Shs 50,000, while farmers under this scheme will contribute minimum of Shs 20,000 per month, and both can contribute in advance at a tune of the amount from one months to 12 months according to the income of the member.

The President called farmers and artisanal miners to contribute through these schemes (Wakulima and Madini) so as to benefit from NSSF pension remittances as are other employees in private and public sectors.



## NSSF Stakeholders endorse a dozen resolutions for implementation

Concluding their Annual Fourth Conference in Arusha mid-May, NSSF Stakeholders endorsed with implementation, twelve recommendations aimed at boosting the Fund's performance in the ongoing financial year.

In their recommendations after their four –day conference held at the Arusha International Conference centre (AICC), Stakeholders urged the NSSF management to submit before them, Audited Financial Statements during annual stakeholders conferences.

Responding to stakeholders recommendations, NSSF management assured them of quick submission of audited financial statements as endorsed by the Controller and Auditor General (CAG).

NSSF officials said all audited accounts and financial reports were duly available to the Fund's stakeholders attending conference on time.

The stakeholders also wanted the NSSF management to submit before them, implementation of various investments, including the ambitious Kigamboni Bridge, power generating projects, the Dry Port (ICD) project, among others.

The Fund's officials responded positively and submitted the reports before the stakeholders.

Among the burning issues which the stakeholders wanted NSSF to work out was the position of the government on withdrawal benefit, but, NSSF officials said the issue was under implementation by the Ministry of Labour and Employment.

Stakeholders also wanted the Fund to enhance public awareness and education campaigns to attract more members from the informal sector and small scale mining.

Responding to their argument, NSSF officials said since February 2013 to-date, a total of 7,312 new members (contributors) have been registered, bringing to 28,521 new contributors or members of the Fund from the informal sector.

The stakeholders have so far, expressed their appreciation to the Fund's performance and encouraged the management to keep abreast with its targets so as to become the leading social security service provider in Africa by the year 2020.





## 50th Anniversary STAKEHOLDERS' FORUM

### NSSF marks 50 years with milestone achievements

From the Government's Social Security Department, the National Social Security Fund (NSSF) had completed the 50 years of its first round journey to serve Tanzanians through pension and other security services.

From turbulent political and economic rough road during its 50 years of service, NSSF had observed a milestone achievement in its social security services to the people of Tanzania and the nation as a whole.

Briefing NSSF stakeholders during the 4th Stakeholders Conference held in Arusha in May last year, NSSF Director General Dr. Ramadhani Dau said through his presentation that the Fund was established in 1964 as a Government's Pension Division under the Ministry of Labour.

He said in 1975 the Fund changed from the Government Pensions department to National Provident Fund to become a parastatal institution, the National Provident Fund (NPF).

Between 1992 and 1996 the government carried out a research aimed at strengthening social security services in Tanzania and came out with a decision to establish the National Social Security Fund (NSSF) under Act of Parliament No. 28 of 1997 which established the Fund on July 1st, 1998.

With a vision to become the first and leading social security entity in Africa by 2010, NSSF is looking to offer social security and other services to its members and the Tanzanian nation with the highest level of integrity and commitment.

To fulfill its vision and mission, NSSF will be engaging its winning staff to register new members, collecting membership contributions, paying its members their pensions on time and strengthening investment base, Dr. Dau said.

He added in his presentation that the number of NSSF members had shot up from 325,744 between 200/2002 and touched 408,970 in 2006 and 2007. NSSF's members contributions rose from Tshs 39.3

billion to Tshs 162.4 billion during the same period, he added.

Through its quality performance in service delivery, the number of members rose from 506,218 between 2009 and 2010 to 599,574 between 2012 and 2013.

Likewise, minimum pension to a retired member changed from Tshs 52,000 to Tshs 80,000 during the same period, while members contributions had increased from Tshs 300.1 billion to Tshs 480.6 billion as well.

Revenue generated from NSSF investments had as well, increased from Tshs 12.67 billion between 2001/2002 to Tshs 34.85 billion in 2006/2007, counting for 180 percent increase.

The minimum pension base changed from Tshs 17,000 per month in 2001/2002 to Tshs 33,200 in 2006/2007 financial year.

In its commitment to strengthening its services and performance, NSSF had streamlined its top management structure from 14 to five (5) directors, while the basic staff salary was increased from Tshs 55,000 to Tshs 300,000 between 2001/2002 and 2006/2007 respectively.

Members had as well increased from 408,970 registrations in 2006/2007 to 506,218 in 2009/2010, while revenues accrued from the Fund's investments rose from Tshs 38.86 billion to Tshs 92.45 billion and pension benefits to members had increased from Tshs 50.52 billion to Tshs 110.13 billion during the same period.

Commenting on the current achievements of NSSF, Dr. Dau said there has been a recorded increase of revenue accrued from the Fund's investments shooting from Tshs 92.45 billion between 2009/2010 to Tshs 199.7 billion between 2012 and 2013.

Pension returns to members had also increased from Tshs 110.13 billion to Tshs 228.14 during aforesaid years.



In its commitment to serve its members and the nation with utmost, quality and timely services, NSSF had taken various steps and measures to ensure smooth services delivery of service and performance.

Among the steps are introduction and application of Information Communication Technology (ICT), increasing its members from 56.2 percent to 72 percent, increasing member contributions by 30 percent and strengthening investment base by 21 percent, Dr Dau told the Fund's stakeholders.

Other steps taken were the increasing of members pension rate to cope with the changing costs of life or living standards, increasing membership registration by 15 percent from the present figure, increasing revenues from the Fund's investments by 30 percent, standardizing members pension and customer services.

Through application of ICT, all NSSF offices in Tanzania are inter-connected to the Fund's headquarters in Dar es Salaam, the regional and district offices.

After a successful 50 years of pension services, NSSF has set a three year plan between 2014 and 2017 to implement the Third Three-Year Strategy targeting to envisage the Fund's Vision of being and becoming the "Leading in quality Social Services Delivery in Africa by year 2020", Dr Dau said.

The Strategy to standardize NSSF's performance in services delivery is looking at areas that would make the Fund reaching 90 percent in serving the members, expansion of membership base, increasing members registration by 25 percent

and strengthening the Funds revenue from its investments real rate of return by 2.5 percent.

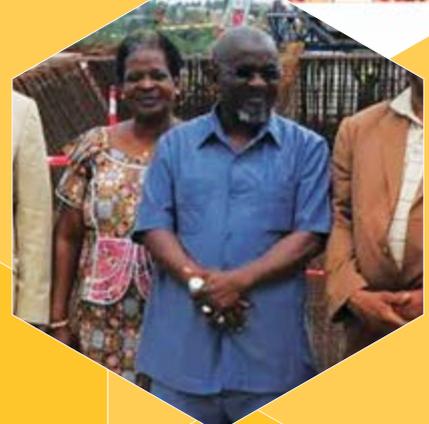
On the other hand, NSSF is looking to building its staff capacity by sticking and adhering to ISO 9001:2008 Certification. This involves the connection by ICT its countrywide offices through the national fiber optic trunk network,

Soliciting and attracting new members from informal sector – peasants, artisanal miners, motorcycle riders Boda Boda operators), commuter and passenger bus drivers and attendants, among others in small-scale sectors are envisaged new members, he added.

Other strategies including modernization of documentation unit to ensure correct records of the Fund's members, enhancing public awareness and education campaign, strengthening long-term investments in leading employment and productivity opportunity sectors such as communication and transport infrastructure, power generation and energy mining.

NSSF is as well, looking to standardize its pensions to members, enhancing innovations among its winning staff, running to become the leading Social Security service provision entity in Africa by 2020, paying its pension claims within two days, making a waiting time in service counters less than one hour.

When celebrating the first round of 50 years journey of social security services in Tanzania, NSSF is proud to have achieved a sound financial capacity to pay its pensioners, standing a leader atop all the seven pension benefits.





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### From Pension Fund provider, NSSF achieves a highest mega investment portfolio

**ESTABLISHED** as a pension provider to public servants 50 years ago, the National Social Security Fund (NSSF) has attracted multi-billion investments which had contributed to Tanzania's fast growing economy.

Speaking to NSSF Stakeholders during their annual 4th Conference in Arusha mid-May this year, the Fund's Director for Planning, Investments and Projects Mr. Yacoub Kidula said between 1964 and 2014, the Fund's investment rose from about Tshs 34 million to over Tshs. 2 trillion.

He said between 2012 and 2013, NSSF had expected to achieve a projected target of Tshs 2.5 trillion by end of 2013 and 2014 financial year.

Mr. Kidula said there was a significant increase in income from the Fund's investments, from Tshs 1 million (one million) in 1965 to Tshs 199.5 billion last year.

He said the income was generated after completion of numerous social and economic projects which have direct and indirect benefits to members of the Fund.

Presenting a paper on investments since the past 50 years, Mr. Kidula said NSSF operated as an autonomous body under its own Board of Trustees. He said the former National provident Fund (NPF) Board of Trustees made a decision to establish investments through contributions from members and government bonds.

He said the Fund's investment portfolio had expanded to include other investment assets including Treasury Bills and Bonds, Fixed Deposits, Promissory Notes, Corporate Bonds, loans and Real Estates.

Mr. Kidula said investments have increased tremendously from Tshs. 684.27 million at the end of 1974 and 1975 financial year to Tshs. 91.6 billion at the

end of 1997 and 1998 financial year when NPF was transformed into a full-fledged National Social Security Fund (NSSF).

After the birth of NSSF, income from investments also increased to Tshs. 9.1 billion in 1997 and 1998 financial year as compared to Tshs. 39.76 million in 1974 and 1975 financial year.

He said the main challenge during the early years of the Fund's operations was high inflation rates which ranged between 20 to 47.7 percent in 1980s and between 13.16 and 37.15 in the 1990s and which affected the Real Rates of Return.

Other main challenge was the restriction to invest in stocks only which limited maximization of returns from investments.

Mr. Kidula added that over the past 50 years, the Fund's investments made immense contributions in socio-economic development of Tanzania.

He mentioned some key investments which NSSF has invested, including students Hostel at Mabibo in Dar es Salaam with a capacity to accommodate 4,000 students and which was built for the Government under BT modality.

The other milestone and big investment which NSSF is implementing is the long awaited Kigamboni Bridge now in a good stage of construction.

Other investments, apart from the existing Real Estate projects, are the construction of Low and Affordable cost Houses, comprising 195 units of Low Cost Houses at Kinyerezi in Dar es Salaam and which will be sold on Hire Purchase Modality.

NSSF is also constructing affordable 300 housing units at Mtoni Kijichi in Temeke district in Dar es Salaam and which are currently on sale on Cash and Hire Purchase Modalities. In Mwanza, NSSF is currently running Housing Projects.



Through its future plans, NSSF is looking at establishing more value added projects, among them, construction of a Five-Star Hotel in Mwanza and which is aimed to tap tourist gains in Lake Zone.

Within its future plan, NSSF is implementing power generation projects in Mkuranga district, Coast region and other parts of Tanzania. The Fund is also working on construction of Sports Academy project at Mwasonga in Kigamboni area, Dar es Salaam.

Other income generating programmes being carried and implemented by the Fund are the financial facility income generating projects including establishment of Savings and Credit Cooperative Societies (SACCOS) which NSSF had established during 2012 and 2013 financial year.

In 2012 and 2013 financial year, the Fund started issuing loans to its members through Agricultural Marketing Cooperative Societies (AMCOS), Savings and Credit Cooperative Societies (SACCOS) and Micro Financing Enterprises (MFEs) which benefited a total of Tshs. 26.2 billion that was disbursed to 3,600 members.

Despite its milestone achievements in social security service delivery, several challenges have been observed to affect smooth operations of the Fund in several areas.

Among these challenges are the overstated land value which had made cost of houses higher, taxes

on inputs relating to construction, Value Added Tax (VAT) on sale of Houses and which had increased purchase prices and taxes on Investment Income reduces income to the Fund.

Other challenges are the default culture by some borrowers which hinder the Fund to issue more loans to corporate clients and lack of primary infrastructure such as road networks, water, sewerage system, electricity and other services which increase construction costs.

After marking 50 years since its establishment, NSSF is looking at implementation of member-oriented projects, undertaking agriculture based projects with the priority on value added projects, implement job creating investments, extending loans to VIKOBA through Micro Financing Enterprises and construction of more affordable houses for sale with priority given to members.

NSSF also plans to make sports an alternative professional career for talented Tanzania youths.

"It is possible to produce many professional sportsmen and women for local and international markets", Mr. Kidula said.

On their side, stakeholders requested for more commitment from all parties to continue supporting Fund's investments and therefore make the coming 50 years more successful and glamorous in all dimensions.





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### GHANAIAN EXPERIENCE

#### Going to Informal Sector, Ghana sets a good example in Africa.

RECOGNIZING economic potentials existing in informal sector, Ghana has set a good example in Africa in setting up a conducive environment which had attracted workers in informal sector to contribute to national social security scheme.

The Social Security and National Insurance Trust (SSNIT) of Ghana in collaboration with the World Bank has established a scheme to attract workers from the informal sector to contribute to the National Social Security by giving room for both the existing and new schemes to grow.

Presenting a paper on "Extending Social Security Coverage to the Informal Sector: The Ghanaian Experience", during the 4th Stakeholders Conference of the National Social Security Fund held in Arusha in mid-May, 2014 the Strategic Planning Manager for the Social Security and National Insurance Trust (SSNIT) of Ghana Faustina Nti said the West African nation had succeeded to synchronize informal sector schemes to the national social security scheme.

She said Ghana's Social Security Scheme has gone through very important stages of development from the colonial era when it began as isolated "Stand Alone" employer-based schemes that provided social protection for various categories of workers.

The SSNIT Informal Sector Scheme was designed to complement the existing scheme by reinforcing the role of SSNIT through increasing awareness of SSNIT across the informal sector while giving room for both the existing and new schemes to grow together, Nti said.

Hence while the main target of the Informal Sector Scheme remained self-employed and other participants in the informal sector, existing members of the SSNIT Scheme were allowed to join and operate the new scheme as a top-up.

Nti said workers in the Ghanaian informal sector were found to be particularly disposed to traditional saving schemes which operated among homogenous groups, which in Tanzania are popularly known as "Mchezo" among women groups.

Through Ghanaian experience, the traditional saving schemes known as Rotating Savings and Credit Association (ROSCA) were established among groups working under similar environment, including street vendors.

The short-term semi-formal scheme which operated door-to-door known as 'Susu' became extremely popular among workers in the informal sector for its accessibility, operational simplicity and the speed with which the savings and credit could be accessed.

By recognizing the integral role played by the informal sector to the Ghanaian economy and social welfare of the people, SSNIT took several measures to attract stakeholders from the informal sector to join the national social security scheme.

The World Bank Team of Consultants, through their study, had established the viability of covering the informal sector and recommended coverage under some other arrangements, other than what was prevailing under the SSNIT Social Security Scheme.

Prominent among recommendations was the establishment of a fund, part of which could be withdrawn at specified times while a part is maintained for the purchase of an annuity on retirement.

The World Bank recommendations were based on findings which indicated that the informal sector workers, basing on a wide range of income levels, labour-intensive production processes, insecure employment, unpredictable income stream,



poor access to credit and predominance of small companies and the self-employed groups.

Under the special arrangements, a member from informal sector is entitled to benefits based exclusively on accumulated savings in his or her individual account plus any interest accruing thereon, whereby any payment made by the member is divided into two equal parts and credited to two separate accounts which are occupational scheme account and retirement account.

A member may withdraw part of the accumulated savings in his or her occupational scheme account after five months of membership. A member may be assisted to access credit from other regular financial institutions using (his or her) occupational scheme account balance as collateral.

Implementation of the SSNIT Informal Sector Scheme commenced in June 2005 as a pilot programme in four out of the ten regions of the Western country. In February 2008, the SSNIT Informal Sector Fund was incorporated under the Companies Code of Ghana as a Company Limited by Guarantee.

In 2011, the management of the SSNIT Informal Sector Fund, in line with provisions of the newly promulgated National Pensions Act 2008 (Act 766), was transferred to another company. The Fund, however, retains the SSNIT brand although it is no longer supported financially. SSNIT is rather

expecting to recoup the set-up loan advanced to the Fund management, Nti said.

Since 2010, the Ghana Social Security Scheme has been broadened into a contributory three-tier pension scheme comprising a mandatory National Basic Social Security Scheme administered by SSNIT, a mandatory fully funded and privately managed Occupational Pension Scheme and a voluntary fully funded and privately managed Provident Fund and Personal Pension Scheme.

Member registration from the informal sector between May 2005 and 2010 was 78,627 members, Nti told the conference participants.

After its independence in 1957, Ghana instituted a Compulsory Savings Scheme in 1960. The scheme was improved even further in 1965 with the promulgation of the Social Security Act No. 279 which established a Social Security Fund into which establishments with five or more employees were mandated to contribute specified sums for payment of benefits to workers in the events of retirement, invalidity, survivors, emigration and sickness.

In 1972 a body corporate, Social Security and National Insurance Trust (SSNIT), was established for the general administration of the Social Security Fund which was being managed by the State Insurance Corporation. The SSNIT Scheme had, by 1991, migrated into a Pension Scheme from a provident fund, Nti said in her presentation.





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### NSSF acquire Clean Audit Report with good performance on investments

The National Social Security Fund has acquired a clean audit report and recorded an increased investment base as it marks its 50 years of social security services delivery in Tanzania.

Audited corporate report that was submitted to the NSSF stakeholders 4th Conference held in Arusha mid-May 2014 showed that the Fund continued to achieve a clean audit reports from the Controller and Audit General (CAG) in collaboration with INNOVEX, an international auditing firm.

The Audit report for the 2012 and 2013 Financial Year indicated that NSSF received a clean certificate on Public Procurement Act 2014 and its regulations of 2005 as well.

In overall, NSSF achieved a smooth operational records with a milestone development in its investment base, accounted to stand at Tshs 2.2 trillion with revenue of Tshs 269.23 billion after due tax deductions.

Statement of Net Assets Available for Benefits as at 30th June, 2013 showed that the Fund's investments valued Tshs 1.8 trillion by June 2012 and jumped to Tshs 2.059 trillion in June 2013, an increase of 14.38 percent compared to the 2011 and 2012 financial year.

According to the report (Audit Report), NSSF has been working closely with the government and various financial institutions to secure funds to develop its investments through government bonds, bank bonds, shares in different companies registered at the Dar es Salaam Stock Exchange (DSE) markets, bank loans, real estates and other financial bases.

In total, NSSF had achieved an increased rate of its investments in all areas, among them, in its Hifadhi Builders Limited, a company that was established

to develop a modern residential areas in the new Kigamboni Satellite City, the report said.

The Fund's assets (rasimali) had increased from Tshs 307.9 billion as by June 2012 to Tshs 410.3 a year later (June 2013), an increase of 33.25 percent.

Net worth of the Fund's assets had as well, increased from Tshs 1.97 trillion by end of June, 2012 to Tshs 2.239 trillion by end of June, 2013, making an increase of 13.66 percent.

The Fund's Total Assets for the year ending June 2012 had increased from Tshs 2.1 trillion to Tshs 2.47 trillion, a record of 17.13 percent a year later (June 2013).

The Statement of Change in Net Assets for the year ended in 30th June 2013 indicated that during the 2012 and 2013 financial year, revenue accrued from NSSF investments dropped from Tshs 398.67 billion in 2011 and 2012 financial to Tshs 231.06 billion, a backdrop of 42 per cent.

A high increase on revenues from the Fund's investments between 2011 and 2012 as compared to 2012 and 2013 was a product of an increased value of estates and land owned by the Fund after valuation.

NSSF policy has been directed to carry out valuation of its estates (buildings) and land each after three years. Another valuation will be carried during 2014 and 2015 financial year.

During financial year 2012 and 2013, contributions from NSSF members reached a peak of Tshs 476.1 billion as compared to over Tshs 420.24 billion recorded the previous financial year (2011 and 2012). This an increase was Tshs 55.86 billion against a targeted collection of Tshs 594 billion.

Retirement benefits payments or refunds to NSSF members during financial year 2012 and 2013 reached a tune of Tshs 228 billion against Tshs 178.7 billion refunded or paid to qualified, retired members in 2011 and 2012 financial year.

There was an increase of about Tshs 49.46 billion during the same period, counting for 27.6 percent during 2012 and 2013 financial year and which NSSF paid an estimated Tshs 135 billion to its retired members as retirement benefits.

The Audit Report also showed the NSSF operation costs during the year 2012 and 2013 standing at Tshs 86.2 billion as compared to Tshs 70.8 billion the year 2011 and 2012 respectively.

NSSF's operational budget during the year 2012 and 2013 was set at Tshs 94.2 billion with an expenditure of 91.5 percent of the total budget. The ratio between operation costs and revenue generated by the Fund during the same period stands at 12:20, indicating a backdrop by 15 percent of the set out target, the Audit Report shows.

Tax Expenses reached Tshs 67.3 billion during the year 2012 and 2013 as compared to Tshs 37 billion released the previous financial year 2011 and 2012 respectively, an increase by 81.94 percent.

Net Increase in Assets achieved a surplus of Tshs 269.23 billion the year 2012 and 2013 compared to Tshs 522.15 billion the previous year (2011 and 2012).

A high increase in surplus amounts from the assets was the outcome of an increase in estates (buildings) and the land under the ownership of the NSSF, the report shows.

Likewise, NSSF took a good financial and liquidity position during the year 2012 and 2013 and managed to implement its projects and carried out its management operations smoothly. On June 30, 2013, the Fund's liquidity position was over Tshs 33.45 billion.

Actuarial Valuation of the Fund had indicated solvency position, according to actuarial valuation carried out by a Canadian expert, George Langis during financial year that ended in 2010. The valuation showed a positive trend of the Fund's solvency in the coming 50 years.

The other valuation carried out by a South African firm, Genesis Solution on June 30, 2010 had shown the Fund's (NSSF) strong resource base to pay its members their retirement benefits at 75.8 percent as they (members) keep on in contributing 20 percent of their monthly salaries.

The valuation report by Genesis Solutions that was carried to comply with the Social Security Regulatory Authority (SSRA) further indicated that NSSF will be strong financially indefinitely, if monthly contributions from members continue to flow smoothly.





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### NSSF HISTORICAL BACKGROUND

#### NSSF's role in provision of Social Security services in Tanzania

Standing the leading social security provider in Tanzania, the National Social Security Fund (NSSF) has marked 50 years of services with milestone achievements.

Other than its mega-economic investments, NSSF has been the only social security entity in Tanzania to receive the prestigious ISO Certificate this year in recognition of its noble services to its members and the people of Tanzania.

NSSF stands the only pension provider in Tanzania and which has been raising its pensions to its members to match with economic changes, while standing strong enough to pay its members for seven consecutive years without additional, continual collections, according to 2010 valuation report. Pensions are timely paid, on 25th day of the month through Post Giro.

Between 1997 and 1998, and 2013 and 2014 financial years, pensions paid to retired members rose from the minimum of Tshs 14,000 to Tshs 80,000 per month. The current minimum pension is Tshs 80,000 and the highest or maximum amount is Tshs 10,685,000 per month.

Through its highly commendable performance, NSSF has been recognized internationally as the best social security provider and awarded an ISO 9001:2008 certificate of quality management and performance.

Social security services provided by NSSF including retirement benefits, old age, death, medical services, injuries at working places,

maternal services, unemployment benefits, family support, among other social services to people suffering from social problems and accidents.

NSSF was established as a Tanzania government pension department in 1964 and was centralized to National Provident Fund (NPF) as a parastatal organization, and in 1998, it changed to National Social Security Fund. The Fund falls under the coordination of the ministry of Labour and Employment and operates its services under social security provision regulations.

Other than pension and social security service provision, registration of new members and collection of members contributions, NSSF invests in various economic ventures. The Fund has a share of 53 percent of all members registered in social security industry in Tanzania (in all social security providers). A member of NSSF scheme can access his or her contribution and personal reports by sending a short message service (sms) through 15747 via a mobile phone.

Contributions to the Fund are deductions of 20 percent of a salary of a registered member, whereby the employer contribute 10 or five percent of the employee's monthly salary, and the employee covers the remaining 10 or 15 percent of his or her salary. Minimum contribution approved by NSSF is Tshs 20,000 per month.

Compulsory workers or employees and employers who are required to contribute to



NSSF are those employed in private sector, non-governmental institutions, Tanzanians working in diplomatic offices and international organizations, government and public institutions and self-employees in formal and informal sectors.

Retirement age in Tanzania, according to Tanzania labour law, has been set at the age of 55 and 60 and which give pensioners who have contributed 180 months (180) contributions to qualify and enjoy pension benefits.

Medical and maternal services extended to women is the other, such an important benefit offered to mothers during prenatal and postnatal period, also after delivery.

In order to enjoy maternal benefits, a member must make 36 contributions (36 months) and can enjoy extended benefits every three years, a gap period for another delivery.

NSSF stands as a strong Social Security service providers in Tanzania and which had synchronized its operations, focusing at serving the people of Tanzania through pension benefits and other economic services in its 53 branches scattered in all regions of Tanzania.

The Fund's benefits extended to members are free medical services given to members with no interference to other contributions during the entire membership period and after withdrawing from membership.

Other benefits or services offered by the Fund are the financial support to members involved in injuries and accidents at working places and other social calamities and maternal benefits to mothers.

NSSF is a strong social security fund in Tanzania with assets and financial base amounting Tshs 2.2 trillion.

The Fund had established a strong investment base aimed at employing more Tanzanians, generating extra income to boost the members contributions and support the nation's economic development, apart from retirements benefits.

Welfare Scheme for Tanzanians living in Diaspora (WESTADI) is the other social security service extended to Tanzanians living outside or foreign countries. The WESTADI scheme was launched by the President of Tanzania, His Excellency Dr. Jakaya Mrisho Kikwete in Washington, USA, way back in September, 2011 and is targeted to register members in Diaspora.

WESTADI scheme took off in May, 2012 and had so far, attracted a good number of Tanzanians living in Diaspora to register.

Other services which NSSF offer to its members are pension benefits to the Tanzania Telecommunications Company Limited (TTCL) under TTCL Pension Scheme, Deposit Administration Scheme for employers and employees in various corporate companies including Geita Gold Mines.



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Soft loans to Tanzanians buying affordable houses, loans through Savings and Credit Cooperative societies (SACCO) and loans to members through their employers.

NSSF's future plans are directed to extend investments in informal sectors including agriculture and fisheries through SACCOS scheme, modernization of services to its members to ensure a quick and timely payment of pensions.

Despite its milestone achievements in social security services delivery, NSSF is facing several challenges ranging from withdrawal of employees, poor knowledge among the public on social security benefits, poor registration of members from the informal sector, these including small scale farmers, fishermen, artisanal miners, among other groups.

Other challenges facing the Fund including the members who withdraw their contributions before retirement, a situation which had brought them to life sufferings and stress.

With a total population of over 45 people, Tanzania boasts of 23.7 million working force made up of 15 to 60 year old population, but only 1.3 million are employed in formal sector.

About 1.2 million employees enjoy social security services and protection from Tanzania's established Social Security institutions, bringing about 6.25 percent of the total working force.

More than 22 million people are not registered to any social security fund, giving them little or no hope at all, to benefit from social security benefits when they reach an old age or get involved in any social calamity.



## Investments by Social Security Funds raise Tanzania's economy

Up to mid this year, six social security funds in Tanzania took a lead in the country's investment portfolio, recording a milestone investments in real estates and fixed assets.

With the National Social Security Fund (NSSF) taking a lead in assets investment and membership contributions, five other social security funds made a significant contribution to the national economy through equities and property development.

According to the Social Security Regulatory Authority (SSRA), six pension funds made a record overall return on assets of Tsh6.4 trillion in the year ended June 2013, rising from Tsh5.6 trillion last year.

SSRA Director General Irene Kisaka said Social Security Funds' investments rose from Tsh4.2 trillion in 2012 to Tsh4.9 trillion this year (2013).

She told participants to the Fourth NSSF Stakeholders Conference in Arusha that contributions from members have grown from Tsh1.4 trillion in 2012, to Tsh1.6 trillion this year as membership to the funds increased from 1.7 million the same year to the current 1.8 million members.

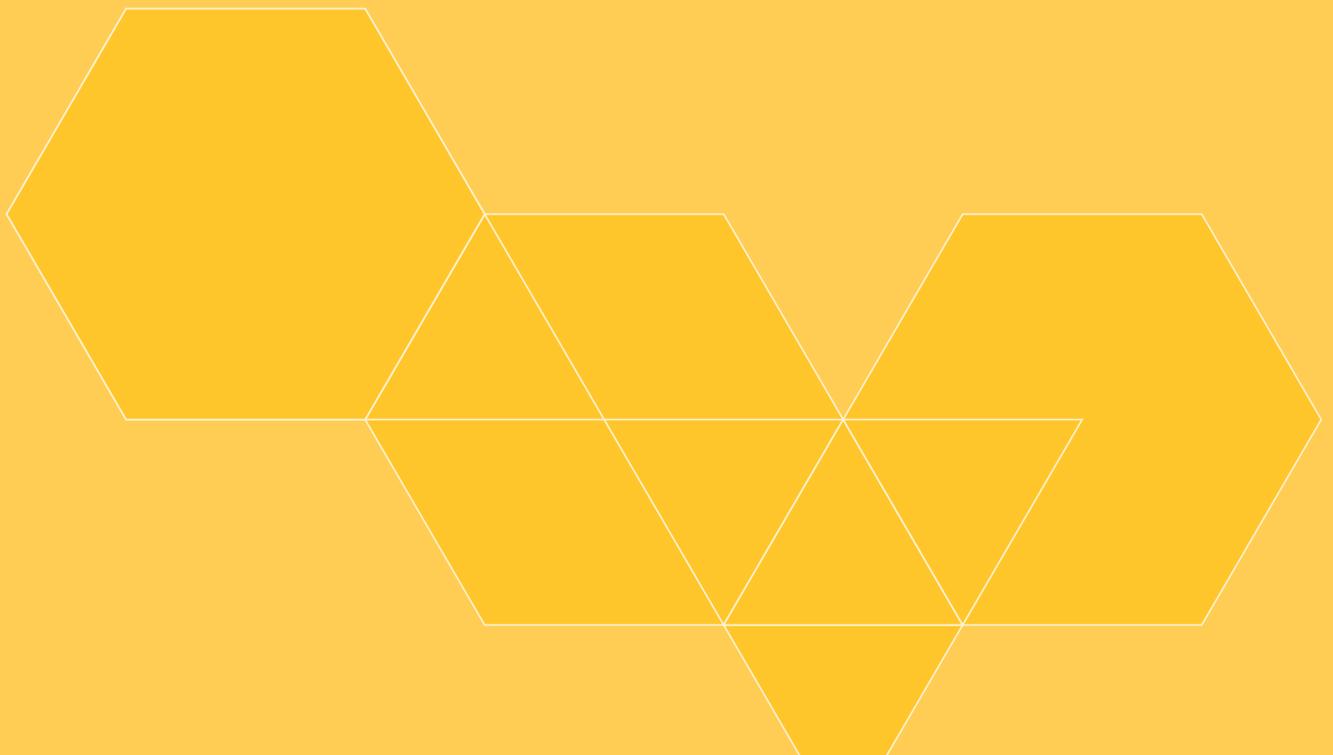
Ms Kisaka further said overall membership benefit payments have as well rose from Tsh724 billion in 2012 to Tsh1.06 trillion, making it the highest amount ever been paid.

The number of pensioners has increased from 72,000 in 2012 to 78,000 this year. She said SSRA is currently asking employers to give equal opportunity to all funds and allow new employees to join Social Security Fund facility of their own choice.

SSRA is currently working out modalities to harmonise pension funds and had sent recommendations to the cabinet for discussions.

Harmonisation process is scheduled to take place before 2015, where there will be free movement of members from one fund to another with the same benefit rights.

Six social security funds in Tanzania are the National Social Security Fund (NSSF), PPF Pensions Fund, Public Sector Pension Fund (PSPF), Government Employees Pension Fund (GEPF) and National Health Insurance Fund (NHIF).





## 50th Anniversary STAKEHOLDERS' FORUM

### NSSF establishes Wavuvi Scheme

IN its efforts to reach a wide coverage of pension services and other social security services in Tanzania after marking 50 years of remarkable service provision to the people of Tanzania, NSSF had established a scheme to cover a wide range of people engaged in fishing sector.

Known as "Wavuvi Scheme", or Fisherman scheme, this special social security service will attract members from fishing sector across Tanzania and who depend fishing as their daily income generating activity.

Wavuvi Scheme has been designed and established under NSSF initiative to cover and protect fishermen from social calamities, while extending social security services to people employed in fishing sector in the country.

Under this scheme (Wavuvi Scheme), members will have their families enjoying free medical treatment services provided by NSSF through this scheme as an initiative aiming to create healthy families for optimum productivity.

Other benefits a member will enjoy are poverty reduction benefit to members and Tanzania as a whole, social security cover for injury and disability, soft loans for fishing inputs, school fees for members' children and other development activities.

The scheme also aims to create a non-dependant generation in old age and inheritance, to save a member from spending in health and treatment services in favour for development and economic generating spending. It will as well, allow a member to repay the loan from any NSSF office in Tanzania.

Wavuvi Scheme members will as well, enjoy retirement benefits at an advanced age with working limitation.

Most important, the Wavuvi Scheme will bring together the fishing community, hence binding them together for more production and long-lasting income generation through fishing, also helping them to build a culture of saving money for their future spending during low fishing season periods.

Wavuvi Scheme covers all members engaged in fishing activities including those working for protection of marine resources, like guards and other personnel like those employed in Fish Processing factories, exporting, retail sellers, among others employed in fishing sector. It is estimated that more than 200,000 people in Tanzania depend fishing as their income generating activity.

A member under Wavuvi Scheme is required to remit Shs 20,000 each month as a minimum, but can pay more according to his or her wish. Monthly submissions could be facilitated through recommended mobile phone monetary networks which are Tigopesa, AirtelMoney, M-Pesa (Vodacom) and other money transfer systems and which have been contracted and identified for use by NSSF.



## Wakulima Scheme to cover more members in farming sector

THE National Social Security Fund (NSSF) has established Wakulima Scheme, a new social security service targeting to cover the farming sector.

Wakulima Scheme has been designed and established under NSSF initiative to cover and help peasants or small scale farmers from social calamities, while extending social security services to people employed in agriculture. This is a new social security service which the Fund had initiated after successful 50 years of service provision to the people of Tanzania.

Members registered in Wakulima Scheme will have their families enjoying free treatment services provided by NSSF through this scheme as an initiative aiming to create healthy families for optimum productivity through agriculture.

Other benefits a member will enjoy are poverty reduction benefit to members and Tanzania as a whole, social security cover for injury and disability, soft loans for agro-inputs, school fees for members children and other development activities.

The scheme also aims to create a non-dependant generation in old age and inheritance, to save a member from spending in health and treatment services in favour for development and economic generating spending. It will as well, allow a member to repay the loan from any NSSF office in Tanzania.

Wakulima Scheme members will as well, enjoy retirement benefits during advanced age with working limit in agricultural production which a member has been depending upon.

This Scheme is as well, expected to unite small scale farmers or peasants to have a common voice and capacity to produce more products and long-lasting income generation through

farming, also helping them to build a culture of saving money for their future spending during poor harvesting periods.

Wakulima Scheme covers all members engaged in agricultural activities including those working in agro-processing factories, farms, guards, food vendors, extension services providers, crop business communities, crop bidders and transporters of farming produce.

Others qualified for membership in Wakulima Scheme are members of primary crop and farming cooperative unions (AMCOS), farmer SACCOS, and other individuals depending agriculture as an income earner.

More than 12.1 million people in Tanzania depend agriculture as their income generating activity.

A member under Wakulima Scheme is required to remit Shs 20,000 each month as a minimum, but can pay more according to his or her wish. Monthly submissions could be facilitated through recommended mobile phone monetary networks which are Tigopesa, AirtelMoney, M-Pesa (Vodacom) and other money transfer systems and which have been identified for use by NSSF.

NSSF pensioners looking to join Wakulima Scheme could have six percent (6%) deducted from their monthly pension payment to facilitate their membership disbursement for Wakulima Scheme.



We Build Your Future

## 50th Anniversary STAKEHOLDERS' FORUM

### Madini Scheme, a panacea for artisanal miners in Tanzania

RECOGNIZING potentials and opportunities available in Tanzania's mining sector, the National Social Security Fund (NSSF) had initiated a scheme targeting to benefit small scale miners across the country after 50 years of successful social security service provision to the people of Tanzania..

Established as "Madini Scheme", this social security service is set to attract members from the mining sector across Tanzania and who depend small scale mining as their source of income and bread earner.

Through Madini Scheme, members will benefit from social calamities and physical injuries while at work.

Under this scheme (Madini Scheme), members will have their families enjoying free treatment services provided by NSSF through this scheme as an initiative aiming to create healthy families for optimum productivity, as are other schemes.

Other benefits a member will enjoy are poverty reduction benefit to members and Tanzania as a whole, social security cover for injury and disability, soft loans for fishing inputs, school fees for members children and other development activities.

The Madini Scheme also aims to create a non-dependant generation in old age and inheritance, also to save a member from spending in health and medical treatment services from own pocket. It is as well, a catalyst for development and economic gains through healthy members. It will as well, allow a member to repay the loan from any NSSF office in Tanzania. Members will as well, enjoy retirement benefits at an advanced age with working limitations in mining.

Other than social security provision, the Madini Scheme will bring together and unite small scale miners to have a common voice in defending their professional setup, while looking for better marketing of their products and fair prices of minerals and gemstones.

It will also stimulate the members to build a culture of saving money for future spending when mining sectors knocks down with low outputs.

Through Madini Scheme, small scale miners will get an access to credit and financial borrowing facilities including the banks, to boost their incomes through loans that would help them to purchase mining equipment such as excavating machines, while getting more access to local, regional and global mining market.

Madini Scheme covers all members engaged in small mining activities including those working in raw gemstone processing, exporting, retail sellers, mineral and gemstone transporters, members of regional mining cooperatives (REMAS), workers in gemstone polishing firms, among others employed in small scale mining sector and service providers to small scale miners.

It is estimated that more than four million (4 million) people in Tanzania depend on small scale mining as their income generating activity.

A member under Madini Scheme is required to remit Shs 20,000 each month as a minimum, but can pay more according to his or her wish. Monthly submissions could be facilitated through recommended mobile phone monetary networks which are Tigopesa, AirtelMoney, M-Pesa (Vodacom) and other money transfer systems and which have been identified for use by NSSF.

NSSF pensioners looking to join Madini Scheme could have six percent (6%) deducted from their monthly pension payment to facilitate their membership disbursement for Madini Scheme.

## NSSF raise the status of two key departments

To enhance and speeding up performance, the NSSF management has re-structured and raised the status of the Fund's two key departments into Directorates in a motive to speed up customer services and raising productivity to cope with ISO certification.

The two, key departments which have been affected by recent changes are the Actuarial and Risk Management Department which has been upgraded and restructured to Directorate of Actuarial and Risk Management, while the Internal Audit Department has been uplifted to Directorate of Internal Audit.

According to internal reports from the top management of the Fund, the two, key departments have been uplifted to Directorates as a motive to enhance performance and customer service delivery as the Fund marks 50 years of social security service delivery to the people.

Standing as the leading provider of social security services in Tanzania The National Social Security Fund (NSSF) had as well, elaborated the roles of the Directorate of Actuarial and Risk Management as the overall monitoring Enterprise Risk Management, development and reviews of policies and procedures for risk management.

The other roles of the newly established Directorate of Actuarial and Risk Management are the overall risk assessment of all key risks imparting the Fund, while overseeing implementation of risk management

training programs, risk-based performance measurement and incentives, among other management issues.

Other roles of the Directorate of Actuarial and Risk Management are consultation with the NSSF management and the stakeholders on identified operational risks, investigation of risks issues, establishment and ensuring of the risk management plan and maintaining an effective enterprise communication programmes.

The Directorate of Internal Audit will be responsible and taking the overall development of the Fund's audit programmes, provision of technical assistance to internal audit team in compiling, drafting and completing internal audit work and reviewing to ensure that they are documented in accordance with audit methodology.

Other duties of the Directorate of Internal Audit are the provision of informal, day-to-day coaching and guidance to other Auditors, sharing knowledge of specialty areas to build knowledge and capabilities across Internal Audit Directorate.



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### NSSF launches Customer Call Centre

NSSF has established an automated Call Centre to connect its members and other customers through mobile phone SMS service to enable them access contributions balances on mobile phones, and detailed statements online from the Fund, also to communicate directly with the Fund's appropriate departments.

The toll free Call Centre is 0800 756773 and is accessible round the clock for 24 hours. The Call Centre is part of the Fund's innovations aimed at improving service delivery to members in its continued effort to be the leading pensions provider in Tanzania after 50 years of service to Tanzanian workers.

The SMS service, toll free line 0800 756773 and e-statements are part of NSSF customer's self service initiative. Customers no longer have to go physically to the Fund's offices in order to access or getting their statements; rather than checking their statements through personal mobile phones where they access full statements online, They can as well call the Fund's service providers at any time of choice.

The Fund has previously been sending and issuing statements in hard copy to members, which was costly and an inconvenient exercise.

SMS service and e-statements are quicker and convenient ways to access their statements, according to Fund's ICT unit. The services will save customers of their time and money they would have otherwise spent going to the Fund's offices to get their statements and other services.

Through the Call Centre, NSSF will continue to automate and ensure efficiency, customer centricity and save its members' time and money, as the Fund starts other 50 years to serve the people of Tanzania and the nation as a whole.



## NSSF hold a three-day seminar for Editors in Kigamboni

Editors from key and leading media houses in Tanzania convened at South Beach Resort in Kigamboni to attend a three-day seminar that was organized by the National Social Security Fund (NSSF) and hosted by the Fund's Director General Dr. Ramadhani Dau.

During the three-day seminar which took place in Kigamboni, a new and designated satellite city and a tourist centre in south beaches of Dar es Salaam, senior executives from the Fund's key departments took the floor to expose before the editors and media professionals, various projects under implementation by the Fund.

The Fund's Executives briefed the editors about performance and milestone achievements the Fund has recorded during its 50 years of social security service delivery to the people of Tanzania and the Tanzanian nation.

The editors visited and got briefed on the progress of the ambitious Kigamboni Bridge and which will stimulate construction of a new satellite city of Kigamboni with a capacity to accommodate 1.2 million residents in a spacious planning.

When completed, the Kigamboni Bridge will speed up development in Kigamboni suburb, also tourism development in south beaches of Dar es Salaam and which are counted the best seaside recreational areas in the city.

The bridge will cost a total of US dollars 143.5 to its completion and is measured with a length of 680 metres, including a flyover at junctions and a one kilometer long road with six traffic lanes in Kurasini area.

According to site engineers, the Kigamboni Bridge was on a good progress with over 80 percent completion in its various components.

After their visit of the Kigamboni Bridge, the editors visited Dege Eco Village at Ras Dege, a newly planned settlement in Kigamboni.

The village (Dege) is an ambitious project funded by NSSF, and which involves the construction of 7,160 modern houses (flats) and 300 villas, a social club, secondary, elementary and a kindergarten schools, a health facility and shopping centre.

Dege Eco Village has also been designed with modern facilities including 24 shopping units, a supermarket, restaurants and cafes in garden areas, outdoor sports fields, outdoor swimming pools, indoor pools and a spectacular rotating restaurant.

The editors were briefed of the construction progress by engineers from Azimio Housing Estates who are running the project through a joint venture with NSSF.

During the seminar, the editors were briefed and enlightened on sisal development in Tanzania by Mr. Salum Shamte, the Managing Director of Katani Limited, a partner company with NSSF.

He told the editors that sisal production in Tanzania was on the rise, while attracting competitive investors in sisal industry, including NSSF. He said under NSSF and Katani partnership, the annual production of sisal products will touch 16 million kilograms by the year 2022, while food production from sisal farms is expected to be 6 million kilograms.

Sisal industry is as well, expected to create 6,000 permanent jobs, Mr. Shamte said, adding that, the current development of 50,000 acres of sisal farms will generate 100 megawatts through renewable energy from the crop.



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Other issues discussed during the NSSF and Editors seminar centred on the Funds roles to Tanzania's social and economic development and its contribution to its members through loans and various schemes.

Dr. Dau told the editors that NSSF has been committed to build Tanzanian economy through various investments. He said NSSF will partner with the government of Tanzania to enhance economic and social development for the people.

The Fund's Director of Operations Mr. Crescentius Magori told the editors that the Fund has been providing economic and social development services to its members through social security provision, covering maternal, old age, medical services, income generation projects, among other, undercover services. He said NSSF had set up loan schemes through its members SACCOS of which a member is free to borrow from the Fund through his or her registered SACCOS.

Mr. Magori further said NSSF had set up new schemes targeting small scale farmers, fishermen and miners, known as "Wakulima, Wavuvi and Madini" schemes.

The aim of these schemes is to attract members from small scale enterprises once not covered by the Fund before. Wavuvi scheme is aiming to attract members from FEMATA and REMA whose total members are 3,507,000, while the Wakilima scheme looking to attract members through AMCOS which is registered with 600,000 members, Mr. Magori noted.

Wavuvi scheme is looking to pull over 1,000 members who have been identified to be earning their living through fishing. Another potential income generating sector the Fund is looking to attract new members is the transport sector where some 20,000 members have been identified from commuter bus operators.

Another income generating group NSSF is targeting is the motorcycle operators commonly known as "Boda boda", Mr. Magori told the editors.

Chairman of Tanzania Editors Forum (TEF) Mr. Absolom Kibanda thanked, on behalf of other Forum members, the management of NSSF for coming closer to media professionals.

Kibanda showered his heartfelt thanks to the Funds Director General for his commitment to work closely and friendly with the media, saying such a scenario was a commitment by the Fund's management to be closer to Tanzanians.

The Kigamboni editors encounter is a continuation of annual such gatherings between editors and the NSSF management, aimed at brainstorming and updating the media of various developments achieved or being implemented by the Fund.

Editors and NSSF encounter is as well, aimed at bringing together the media and the Fund so as to cement a good relationship, hence bringing closer media professionals in Tanzania to the Fund's management and its stakeholders.

This publication has been compiled and edited by Mr Apolinary Tairo , Deputy Editor of the Express weekly newspaper, as a media initiative in cementing the good relationship between NSSF, Editors and the Media. Mr Tairo is a well Senior Journalist and Specialist in corporate communications and business reporting.

