

**THE ZANZIBAR SOCIAL SECURITY FUND ACT, 2005**

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**ACT NO. 2 OF 2005**

**I ASSENT**

**{ AMANI ABEID KARUME }**  
**PRESIDENT OF ZANZIBAR**  
**AND**  
**CHAIRMAN OF THE REVOLUTIONARY COUNCIL**

**6<sup>TH</sup> APRIL, 2005**

**AN ACT TO REPEAL AND RE-ENACT  
THE ZANZIBAR SOCIAL SECURITY FUND AND TO PROVIDE  
FOR OTHER MATTERS RELATED THERETO**

**ENACTED by the House of Representatives of Zanzibar.**

**PART I**  
**PRELIMINARY PROVISION**

Short title and  
Commencement.

1. This Act may be cited as the Zanzibar Social Security Fund Act, 2005 and shall come into operation on such date as the Minister may be notice in the Gazette appoint.

Interpretation.

2. In this Act, unless the context otherwise requires:  
“benefit” means one or more benefits payable under this Act;

“Board” means the Board of Trustees of Zanzibar Social Security Fund established under section 6 of this Act;

“Child” means a person who is under eighteen (18) years of age and who is a legal child of the member;

“dependant” means a member of the family of an insured person who is a legal heir of the member;

“employee” means any person who:

(a) is employed under any contract of service or apprenticeship with an employer, and who is receiving

or is entitled to receive any remuneration in respect thereof;

- (b) is declared by the Minister, in consultation with the Board and by notice in the Gazette, to be an employee for the purposes of this Act;

“employer” means any person, public authority, company, association, agent or representative whether citizen or non citizen who enters into a contract of service with an employee for the payment of salary;

“Government” means the Revolutionary Government of Zanzibar;

“heir” means a dependant as defined in this Act;

“insured person” means a person insured under this Act;

“existing Funds” means all the monies held in trust by the Fund established by Act No. 2 of 1998;

“Fund” means the Zanzibar Social Security Fund established under section 4 of this Act;

“member” means any person:

- (a) Who has accumulated right to a benefit under this Act, or
- (b) From whose earnings contributions have to be deducted for payment to the Fund;

“Minister” means the Minister for the time being responsible for matters relating to finance;

“Month” means a calendar months;

“President” means the President of Zanzibar and Chairman of the Revolutionary Council;

“Pensionable age” means the age of sixty years for a male or female member of the Fund;

“Self-employed person” means a person who works for gain or reward otherwise than under a contract of employment, whether or not he or she employs others;

“Salary” means basic salary.

Application.

3. This Act shall apply to all employees in the public and private sector except those employees specifically exempted by the Minister under the provision of section 17(6) of this Act.

**PART II**  
**ESTABLISHMENT OF THE ZANZIBAR**  
**SOCIAL SECURITY FUND**

Establishment of the Fund.

4. (1) There is hereby established a Fund to be known as the Zanzibar Social Security Fund.  
  
(2) The Fund shall be a body corporate having a perpetual succession and a common seal, and may sue or be sued in its corporate name and may in connection with its functions under this Act purchase, hold, manage and dispose of any property, enter into contracts and do or suffer all such other things as bodies corporate may lawfully do or suffer.  
  
(3) The governing body of the Fund shall be the Board of Trustees.

Functions of the Fund.

5. The functions of the Fund shall be:
  - (a) to receive all the contributions and other moneys which are required to be paid into the Fund;
  - (b) to keep and maintain register of all members and employer contributing to the Fund and any other register that the Board may advise;
  - (c) to establish and maintain record for each member in respect of all payments made by way of contribution;
  - (d) to invest the moneys collected in any viable ventures as the Board may consider appropriate;
  - (e) to open and operate its own bank accounts on conditions set by the Board;

- (f) to pay benefits to members or their dependants in accordance with the provisions of this Act;
- (g) to manage and administer the contributions in accordance with the provision of this Act;
- (h) to obtain the services of any person or institutions private or public, to perform any specific act or function;
- (i) to engage in any activity whether alone or together with other organizations in Tanzania or elsewhere, to promote proper, efficient and effective social security administration;
- (j) to do all such acts and things and to enter into all such transactions as in the opinion of the Board may be necessary for the proper and efficient administration of the Fund.

**PART III.**  
**ESTABLISHMENT AND CONSTITUTION**  
**OF THE BOARD.**

Establishment  
of the Board.

6. There is hereby established a Board to be known as the Board of Trustees of the Zanzibar Social Security Fund.

Composition  
of the Board.

7. (1) The Board shall consist of highly qualified Tanzanians with such qualifications and experience in business, economics, social security and other related fields and who are capable of efficiently overseeing the management of the Fund.

(2) The Board shall consist of the following:

- (a) A Chairman who shall be appointed by the President as prescribed by the regulations of this Act;
- (b) The Managing Director of the Fund;
- (c) Six other members appointed by the Minister as follows:-

- (i) Two representatives from the Government;
  - (ii) Two representatives from the Zanzibar Federation of Trade Unions appointed in consultation with the Federation of Trade Unions;
  - (iii) Two representatives from Zanzibar Association of Employers appointed in consultation with the Employer's Association.
- (3) In making the appointments to the Board, the Minister shall be required to consider gender equity.
- (4) Members of the Board shall hold Office for a term of three years and may be re-appointed for a second term of three years:-
- (5) The secretary of the Board who is a qualified lawyer shall be appointed by the Board.
- (6) The provision of the Second Schedule to this Act shall regulate the procedures and proceedings to the Board.
- (7) The quorum of the Board meetings shall be not less than half of the members.
- (8) A member of the Board shall not communicate or reveal any matter which shall brought under his or her consideration or shall become known to him or her as a member of the Board.

Disqualification.

- (8) A person shall be disqualified from being appointed or remaining to be a member of the Board if that person:-
- (a) Is not a citizen of Tanzania;
  - (b) Is declared insolvent;
  - (c) Fail to attend, three consecutive meetings of the Board without consent of the chairman;
  - (d) Ceases to be a member of the constituency which nominated him or her, in which case the relevant constituency would be consulted to make another nomination for the appointment to the Board;



- (e) Is convicted of an offence and sentenced to imprisonment without the option of a fine;
- (f) Discloses the official secrecy;
- (g) Is a member of the Revolutionary Council, the parliament, the House of Representatives or if he is elected or appointed to hold any political post.

Functions of  
the Board.

9. The Board shall perform the following functions:

- (a) Shall be the Trustee of the Fund;
- (b) Supervise the general management and administration of the Fund;
- (c) Advise the Minister in matters relating to the administration of this Act;
- (d) Ensure that members or their dependants get their benefits as soon as they are due;
- (e) Approve or otherwise the Fund's budget, scheme of service and investment plans;
- (f) Do any other thing which in the opinion of the Board may be necessary for the proper and efficient administration of the Fund.

Disclosure of  
interest

10. A Board member who has a personal or financial interest in any matter on which the Board is supposed to deliberate upon, must disclose that interest and withdraw from the proceedings of the Board when the matter is being discussed.

Duties of the Board

11. It shall be the duty of the Board:

- (a) To manage and administer the Fund in accordance with the highest standards which a person holding any Fund in a fiduciary capacity on behalf of another may reasonably be expected to conform to;
- (b) To protect, safeguard and promote the interest of the insured persons under this Act;

(c) Generally to do all such acts as the Board may reasonably be expected to do, and in particular to:

(i) Obtain and justify the confidence of the people of Zanzibar in general and of the insured persons in particular;

(ii) To avert and minimize any loss to the Fund.

Powers of the Board.

12. In the performance of its functions, the Board shall have power to:

(a) Engage and appoint appropriate staff consisting of such officers and supporting staff as in the opinion of the Board and necessary for the purpose of carrying out the functions of the Fund set out by this Act;

(b) Appoint and employ upon such terms and conditions as it may think such consultant, agents and contractors as the Board may deem necessary;

(c) Provide for the appropriate internal development of the employees and any grant bursaries and loan to employees of the Fund for educational purpose within its field of operation;

(d) Appoint any certified auditor to the accounts of the Fund;

(e) Cause to be carried out an actuarial assessment of the Fund after every three years;

(f) Do all other acts as are necessary to give effect to the provision of this Act.

Inspectors.

13.(1) The Board may appoint inspectors for the purpose of this Act.

(2) An inspector under this Act, if has reasonable cause of belief that there are employees whom contributions are payable under this Act may, Managing Director of his or her appointment as an inspector, enter during working hours in the premises or place and thereupon make any examination and inquiry necessary to obtain information for the purposes of this Act.

(3) An inspector may, in the performance of his or her duties, require any employer to produce any employee employed by that employer and any documents relating to contributions or liability to contribute to the Fund for inspection by the inspector on such premises or place.

(4) For the purpose of this section:

“document” means any matter expressed or described upon any substance by means of letters, electronic transmission, figures or marks or by more than one of those, intended to be used or may be used for the purpose of recording the same;

“premises” means any building or other erection used for the purpose of business but does not include a dwelling used exclusively for residential purposes.

Appointment of  
the Managing  
Director.

14.(1) There shall be appointed a Managing Director and other officers as may be necessary for the proper and efficient Administration of this Act.

(2) The Managing Director shall be appointed by the president as prescribed by the regulations of this Act.

Responsibilities  
Of the Managing  
Director.

15.(1) The Managing Director shall be responsible for the determination of the liability to the contribution payments and claim for the benefit payments.

(2) The Managing Director may estimate the age of the member where such member has not declared his or her date of birth and the estimation procedures shall be by the prescribed regulations of this Act.

(3) All claims shall be decided by the Managing Director in consideration of the criteria settled by this Act or as directed by the Board.

Referral.

16. Any person or institution, which is not satisfied by the decision made by the Managing Director or Board, within three months after being informed. May refer the case to the Industrial Court established by the Act No. 1 of 2005.

**PART IV.**  
**REGISTRATION AND CONTRIBUTIONS**  
**TO THE FUND.**

Contributions  
to the Fund.

- 17(1) Every member shall contribute to the Fund part of his or her monthly salary at the rate prescribed in the first schedule and the employer of such employee shall deduct such contributions from the employee's monthly basic salary.
- (2) Every employer shall pay to the Fund the amount prescribed in the first schedule of this Act calculated on the salary paid to the employee during that month.
- (3) Both member's and the employer's contributions shall be paid in a prescribed manner to the Fund by the employer within fifteen days after the date of payment of salary to which such contributions relate.
- (4) Where salary payable by employer to an employee is at intervals of less than a month or greater than a month, the provision of this section shall apply as if such employee were entitled to monthly payments.
- (5) Subject to the provisions of section 19 of this Act, the Minister in consultation with the Board, may make regulations for contributions to be made provisions of this Act shall in so far as practicable be construed mutatis mutandis for such members and their contributions.
- (6) This section shall not apply to any person who is covered under the Pension (Political Appointees) Act No. 1 of 1990 and the Specified State Leaders Retirement Benefit Act No. 4 of 1988 as amended by Act No. 7 of 1995.

Registration.

- 18(1) When the Minister announces the effective date of commencement of operation of this Act, the employer to whom this section applies shall:-
- (a) Register in the prescribed manner as a contributing employer to the Fund within fourteen days from the date of announcement or fourteen days from the date of commencement of employer's business;

(b) Register all the employees in the prescribed manner for membership of the Fund within fourteen days from the date of commencement of operation of this Act or fourteen days from the date of employment.

(2) Regulations made by the Minister in consultation with the Board shall provide for the cancellation procedures of any person as contributing employer upon making application in the prescribed manner. and upon satisfying such conditions as may be prescribed to be an employer of persons or his or her employees permitted to be registered as members of the Fund.

(3) Any person who fails to comply with any of the provision of this section shall be guilty of an offence and shall be liable to a fine of one million shillings or imprisonment for a term of one year or both.

Self employed.

19. Self employed workers may, on fulfillment of criteria to be fixed by the Board and approved by the Minister, become members of the Fund.

Banking of Contributions.

20(1) The contributions collected by the Fund shall, subject to Any general direction of the Board, be deposited in a bank or banks duly licensed under the provision of the relevant law.

(2) The Fund may operate different accounts in respect of the benefits mentioned in section 26(1) of this Act.

Investment of Contributions.

21. Subject to section 25 of this Act, any surplus remaining in the Fund shall be held on deposit by the Fund or invested in such manner as the Board may approve after considering:

(a) The need of an appropriate level of liquidity of the Fund;

(b) The need to secure a reasonable return on the investments;

(c) Any advice and guidance the Minister shall provide on the investment.

Penalty for  
Failure to deduct  
and or remit.

22(1) Where an employer:

- (a) Fails to make deductions or fails to deduct the correct amount of contributions which shall have been deducted as required under section 17(1) of this Act;  
or
- (b) Fails to pay the contributions to the Fund as required under section 17(2) of this Act;
- (c) Fails to remit to the Fund the amount of any deductions within fifteen days as prescribed under section 17(3) of this Act;

Shall become liable to pay penalty equal to five per centum of the total amount of that contributions for each month or part of a month after the date when payment should have been made and the amount of the penalty shall be covered as a liability of the penalty shall be covered as a liability owing to the Fund by the employer.

- (2) In case to which subsection (1) of this section applies, where any amount of contributions is still unpaid three months after the due date, an additional interest of five per centum shall immediately become due and payable on the amount and similar interest shall so become due and payable at the expiration of each succeeding period of three months on any amount of contributions still unpaid at each such expiration.
- (3) The Managing Director, if thinks fit, may remit the penalty imposed under this section to a limit of Tanzania shillings one hundred thousand only, and when the penalty to be remitted exceeds one hundred thousand shillings the Managing Director shall required the approval of the Board.

Treating unpaid  
contributions  
as paid

23(1) Where the Board is satisfied that an employee's has been deducted from his or her whatever reason failed to pay the contributions together with the employer's contribution to the Fund, the Board may treat the unpaid contributions as wholly or partially paid for the purpose of any claim for the payment of benefits provided that this measure shall be without prejudice to any action to recover the amount due from the employer.

- (2) Where the Managing Director has given the written notice, relating to non submission of the employee's contribution, under this Act has the power to attach or sale the property of that employer in respect to the same amount of contributions not payable by the employer.
- (3) The proceeds of the sale or other realization of such property shall not be distributed to any person entitled thereto until the court ordering the sale or realization has made provision for the payment.

Recovery of contributions and fines.

24. Every statutory contribution and fine due to the Fund shall be considered as debt due to the Fund and may be recovered by the Board by suit anytime within six years after the date it was due.

Subvention from the Government.

25. All expenses incurred in carrying out this Act into the effect and in connection with the administration of Fund shall be paid out of the monies of the Fund.

#### **PART V** **BENEFITS.**

Benefits under the Fund.

- 26(1) The Zanzibar Social Security Fund shall have the following benefits:-
- (a) Old age benefit comprising Fund shall and gratuity;
  - (b) Survivors' benefit for dependents;
  - (c) Maternity benefit;
  - (d) Invalidity benefit;
  - (e) Medical care benefit;
  - (f) Any other benefits that the Board may approve.
- (2) No insured person shall be entitled at anytime to more than one benefit and where a member qualifies for more benefits than one at the same time the member shall be paid one which is the highest.

(3) Without effecting section 26(1) of this Act, the Minister has the power to differ any type of the reason satisfied himself or herself the Fund is at any time unable to pay any sum which required to be paid under the provision of this Act.

Exemptions.

27(1) Any organization that desires the Minister to provide exemption from the application of this Act shall apply in the prescribed form through the Managing Director of the Fund within 14 days from the commencement of this Act or within 14 days from the date the organization commences business.

(2) The exemption shall only be authorized when the benefits provided by an employer are more favourable than those provided under this Act.

(3) Any benefit paid under this Act shall be exempted from income tax.

(4) All the contributions and other income of the Fund shall be exempted from taxation.

Revocation.

28. If at any time the benefits provided by an employer under he exempted scheme ceases to provided under the Zanzibar Social Security Fund or the Managing Director is not satisfied with the management of any exempted scheme of Fund, the Managing Director shall advise the Minister to revoke the exemption granted under section 27(1) of this Act.

Entitlement of Benefits.

29(1) A member shall be entitled to receive pension and Fund gratuity in one of the following conditions:-

(a) Immediately on retiring after attaining pensionable age;

(b) On medical evidence to the satisfaction of the Board that an employee is permanently unable to work.

(2) In case of death of the member, the beneficiaries of the deceased member shall be entitled to gratuity which shall be paid to them in accordance with paragraph 7 of the Third Schedule.

(3) A female member shall be entitled to maternity benefit once in every three years in accordance with the limit provided in the First Schedule.



- (4) A member shall be entitled to medical care benefit in accordance with the limit provided in the First Schedule.
- (5) The Board may allow a member to withdraw the whole amount or part thereof standing to the credit of the member's medical account for the payment of a medical bill.
- (6) A member may transfer the monies standing to his or her medical credit to meet his or her spouse's or children's medical bill.
- (7) The manner and rate of disability benefit shall be as determined by regulations made by the Minister in consultation with the Board.
- (8) An insured person who is within five years from the pensionable age and has paid contributions for at least 60 months may claim early retirement pension.
- (9) The amount of the retirement pension paid under subsection (8) of this section shall be the amount that would be paid under section 32(1) reduced by 0.5 per centum of the monthly average earnings.

Offences.

30. If default is made in complying with section 29 of this Act, the claimant who is in default shall be guilty of an offence and shall be liable to a fine of not less than five hundred thousand shillings or imprisonment for a term of not less than six months or both.

Service not  
Qualifying for  
Pension and gratuity.

31(1) No pension or gratuity shall be payable under this Act to any member:

- (a) Whose period of contributions is less than sixty months;
- (b) While on probation, unless immediately following such period of probation, the member is confirmed to the appointment;
- (c) While the member was absent from duty on leave without pay unless it is established by the Managing Director that such leave was granted on ground of public policy and that the employer undertakes to pay into the Fund both the employee's and the employer's contributions for the period the employee was so absent.

- (2) A member who attains pensionable age and retires before completion to sixty months of contributions to the Fund shall be entitled to have his or her and employer's contributions refunded with interest.
- (3) Any employee or member who dies within a period of sixty months after the commencement of this Act regardless of the employee's contributions to the Fund, the employee's and employer's contributions shall be refunded with interest to the beneficiaries or legal personal representatives in accordance with paragraph 7 of the Third Schedule to this Act.
- (4) Where a member works for a certain duration and for any reason his or service is terminated, the member's nor continuous period of contribution shall not be refunded but retained by the Fund pending calculation of pension entitlement at pensionable age.

Payment and rates of benefits.

- 32(1) A member who is entitled to Fund benefits under section 29 of this Act shall be paid in accordance with the rates and conditions specified in the First Schedule of this Act.
- (2) Upon application for the Fund benefits under section 29 of this Act, the Managing Director after being satisfied with the evidence, shall authorize the payment to the applicant of such a sum as the member is entitled to withdraw from the Fund together with interest calculated up to the date of authorization and the Board with the approval of the Minister shall fix rate of interest payable.
- (3) If the Fund is at anytime unable to pay any sum which is required to be paid under the provision of this Act, the sum required shall be advanced to the Fund by the Government and the Fund shall as soon as practicable repay to the Government the sum so advanced.

Repayment of benefit of improperly received.

33. If it is found that any person by reason non-disclosure or misrepresentation of material fact (whether the non disclosure or misrepresentation was or was not fraudulent) has received any sum by way of benefit while that person was not entitled to that benefit, he or she be liable to repay to the Fund the sum so received.

Adjustment of benefits and contributions.

34. Benefits and contributions rate shall be reviewed from the time to time by the Board and adjusted in line with Actuarial valuation of the Fund.

**PART VI**  
**MISCELLANEOUS PROVISIONS.**

Report of the Managing

35. The Managing Director shall within six months after the end of each financial year, make a report to the Board on the operation of the Fund during the financial year, and the Board shall keep a copy of such report to the Minister.

Account and Audit.

36(1) The Board shall cause to be provided and kept proper Books of accounts and records with respect to:-

(a) Receipt and expenditure of moneys and other financial transaction of the Fund.

(b) The assets and liabilities of the Fund, and shall course to be made out of every financial year a balance sheet and a statement showing details of the income and expenditure of the Fund and all its assets and liabilities.

(2) Not later than six months after the close of every financial year the accounts including the balance sheet of the Fund relating to that financial year shall be audited by the Auditors appointed by the Board from time to time.

(3) As soon as the accounts of the Fund have been audited, and in any case not later than six months after the audit, the Fund shall submit to the Minister a copy of the audited statement of accounts together with a copy of the report thereon made by auditors.

Fund accounts.

37(1) For the avoidance of doubt it is hereby declared that the Fund and the monies in the account established pursuant to section 4 of this Act shall not constitute or be regarded as Funds of the Board but shall, for the purposes of this Act and all other written laws, be deemed to be Funds held by the Board in trust for the insured persons and the Government to be administered by the Board in accordance with the provisions of this Act.

(2) It shall be lawful for the Board to make payments out of the Fund for any of the purposes for which payments out of the Fund account are expressly authorized by this Act.

Confidentiality.

38(1) Every officer and every other person employed in carrying out the provisions of this Act shall regard as confidential all information relating to the contributions of members and all instructions in respect of the administration of this Act that may come into that officer or other person's possession of knowledge in the course of this or her duties.

(2) Any officer who is in breach of the provisions of subsection (1) of this section shall be liable on conviction to a fine of not less than five term of not less than six months or both.

Limitation

39. No officer of the Fund shall be held liable for any act or omission done or omitted to be done in execution or purported execution of that officer's duties under this Act if such an act or omission was done or omitted in good faith.

Offences by  
or in relation to  
Officers.

40 (1) Any officer or other person employed in carrying out the provisions of this Act who:

(a) Directly or indirectly asks for, or takes, in connection with any of his or her duties, any payment or reward not being a payment or reward which he or she is lawfully entitled to receive; or

(b) Enters into agreement to do or abstains from doing, permit, conceal or connive to do or not doing any act whereby the payments may become fraudulent or which is contrary to the provision of this Act.

Shall be guilty of an offence and shall on conviction be liable to a fine of not less than one million shillings or imprisonment for a term of not less than one year or both.

(2) Any person who directly or indirectly offers or gives to any other person or employee carrying out the provision of this Act any payment or reward

whatever or any promise or security for any such payment shall be guilty of an offence and shall on conviction be liable to the same fine and or term of imprisonment provided in subsection (1) of this section.

Protection of contributions.

41. The sum standing to the credit of a member of the Fund shall, until paid out in accordance with the provision of this Act, remain the property of the Fund and shall not form part of the assets of the person in the event of bankruptcy or insolvency, or be liable to attachment in settlement of or attachment to his or her debts.

Legal proceedings

42(1) Any action for recovery of contributions and all criminal under this Act shall be instituted by the Managing Director.

(2) No criminal prosecution shall be instituted without a prior consent in writing from the Director of Public Prosecutions.

Certificates as evidence

43. A copy of an entry in the accounts of the Fund or other extract from the records of the Fund shall, when certified by the Managing Director or any other officer of the Board nominated by the Board in writing under the seal of the Board, be received in all courts as prima facie evidence of the truth of the contents thereof and as the case may be, shall form the debt due to the Fund by the person concerned.

Regulations.

44 (1) The Minister may, with the advice of the Board, make regulations for better carrying into effect the principles and provisions of this Act and without limiting the generality of the foregoing may make regulations for all or any of the following:-

(a) Prescribing the particulars, information or evidence to be furnished in respect of any question or matter arising under this Act;

(b) Prescribing, in respect of any action required or permitted to be taken under this Act, the time and manner of taking that action and the procedures to be followed;

- (c) Regulating the manner of payment of contributions or the withdrawal of contributions paid in error or in excess of the statutory contributions;
  - (d) Providing for the disposal of amounts which are unclaimed, unpaid or otherwise that way remain in the Fund.
- (2) The Minister in consultation with the Board may, by regulations under this Act, prepare a scheme to accommodate elderly employees re-employed after the pensionable age or after withdrawal from the Fund.
- (3) The Minister, in consultation with the Board, may amend, vary or alter the provisions of the First Schedule to this Act.

Repeal of Act  
No. 2 of 1998

45(1) The Zanzibar Social Security Fund Act No. 2 of 1998 is hereby repealed.

(2) Notwithstanding the repeal made under sub section (1) of this section:

- (a) All the assets and liabilities of the existing Fund immediately before the commencement of this Act shall vest in the Zanzibar Social Security Fund together with all the rights and obligations arising out of any contract or otherwise as if this Act had not come into force;
- (b) Anything done or any action taken under the repealed Act shall in so far as it is not inconsistent with the provision of this Act, be deemed to be done or taken under the corresponding provision of the Act;
- (c) All subsidiary legislations, rules or orders made under the repealed Act which are in force at the commencement of this Act shall be deemed to have been made under this Act and shall remain in force until revoked or rescinded by other subsidiary legislations, rules or orders under this Act;
- (d) Where immediately before the commencement of this Act any person is liable to pay any sum

of money to the Zanzibar Social Security Fund or to the Managing Director or to the Board in relation to any liability arising from the repealed Act that person shall make such payments to the Fund, Board or the Managing Director as the case may be as if the liability to make such payment had arisen under this Act;

- (e) Any legal proceedings for any offence or for the recovery of any sum of money due under the repealed Act is pending before any court, those proceeding may be continued and concluded under the repealed Act.

**PASSED** in the House of Representatives on the 24<sup>th</sup> day of January, 2005.

**(KHAMIS JUMA CHANDE)**  
**CLERK OF THE HOUSE OF REPRESENTATIVES**  
**ZANZIBAR.**

**FIRST SCHEDULE**  
**(Section 26 (1))**  
**Computation of benefits**

Calculation of  
pension gratuity

1(1) Pension and gratuity shall be calculated and as follows:

- (a) Full pension shall be the average of last sixty months pay times number of months contributions divide by thirty;
- (b) Gratuity shall be one third of full pension times twenty;
- (c) Monthly pension shall be one eighteenth of full pension.

Distribution  
of benefits.

(2) The monies contributed by members and their employers shall be for:

- (a) Retirement, survivor's and disability benefits  
12.0%
- (b) Medical and maternity     3.0%

**TOTAL     15.0%**

Rates of  
contributions.

(3) The rates of contribution shall be:

- (a) Every member shall pay to the Fund five per centum of his/her monthly salary and the employer of such employee shall deduct such contributions from his/her monthly salary;
- (b) Every employer shall pay to the Fund ten per centum calculated on the total salary paid during that month to the employee.



**SECOND SCHEDULE**  
**(Section 6)**  
**The Board of Trustees.**

Composition  
of the Board.

1.(1) The Board of Trustees shall consist of:

i. The Chairperson.

ii. Six other members appointed in accordance with the provision of section 6(1) of this Act.

(2) In appointing the members of the Board, the Minister shall have regard to the need to appoint person with such qualifications and experience in business affairs, social security, finance, administration or law as would enable them to contribute fully and effectively to the discharge of the functions of the Fund.

Election of  
an acting  
Chairperson

2. In the absence of the Chairperson from any meeting of the Board, the members present shall elect one of their member to be an acting Chairperson of that meeting only.

Managing  
Director

3. The Managing Director shall represent the Management in Board meetings.

Ordinary  
meeting notice.

4(1) An ordinary Board meeting shall be convened by the Chairperson.

(2) The notice of meeting specifying the date, place and time of the meeting shall be sent to every member at his or her usual place of business or residence not less than fourteen days before the date of such meeting.

Special meeting  
of the Board.

5. The Chairperson shall convene a special meeting of the Board on receipts of a request in writing for such a Meeting from not less than half of members of the Board.

Board to regulate  
its own Proceedings.

6. Subject to the provision contained in this Schedule, the Board shall regulate its own proceedings.

Other person  
to attend a  
Board meeting.

7. Any person who is not a member of the Board may be invited by the Chairperson to attend a Board and participate in the deliberations of the Board, but such a person shall not have a right to vote.

Tenure of  
members.

8. The tenure of appointment to the Board shall be three years. A member of the Board may hold office for a maximum of two terms.

Resignation.

9. Any member of the Board may at any time resign from office by giving a written notice to the appointing authority and specifying the date of resignation. If no date is so specified the date of receipt of the notice shall be deemed to be the date of resignation.

Decision of  
The Board.

10(1) At any meeting of the Board, the decision of the Board shall be construed as the decision of the majority of the members present.

(2) Where there is no consensus, voting shall be conducted to obtain a decision of the Board and in the event of equality of votes the Chairperson shall have in addition to his or her deliberative vote.

(3) Notwithstanding the provisions of subsections (1) and (2), where the Chairperson so directs a decision may be made by the Board through circulation of relevant papers to all members. Any member may, however, demand that any such decision be referred for consideration to the next Board meeting.

Minutes of  
Board meeting.

11. Minutes of each Board meeting shall be kept in appropriate form and shall be confirmed by the Chairperson in the next meeting.

Seal.

12. The seal of the Fund shall be affixed to any instrument only in the presence of the Managing Director or any other officer as appointed by the Board.

**THIRD SCHEDULE**  
**(Section 18 (2))**  
**General Provisions.**

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|--------------------------------|--|
| Notice of death of a member.   | 1. Every employer shall, within three months, sent a notice to the Managing Director of the Fund in writing if an employee who is a member of the Fund changes employment, dies or ceases to work.   |
| Notice of transfer.            | 2. In the case of any change in the transfer, employment the employer shall transfer a copy of the deductions records of such employee to the new employer.  |
| Members deduction records.     | 3(1) Every employer shall keep record together with member's identification in the prescribed manner For each of the monthly salary and the deductions of the contributions and remittance to the Fund.<br><br>(2) These records shall commence from July of each year to June of the following year and shall be submitted to the Managing Director of the Fund not later than 30 <sup>th</sup> day of October of every year. |
| Obstruction to Fund officer.   | 4. Any person who prevents or obstructs any officer of the Fund in the course of performance of his or her duties or in the exercise of the powers under this Act shall be guilty of an offence and shall be liable to a fine stipulated in section 18 (3) of this Act.  |
| Members with Employment.       | 5. Where a member has more than one other employment, such member shall have the legal obligation to notify the Managing Director of the Fund of such employment.  |
| Termination of employee.       | 6. Where an employer winds up business and the employees are therefore to be terminated, the employer shall submit the up-to-date deduction particulars of the employees to the Fund.  |
| Benefits to the Beneficiaries. | 7. For the avoidance of any doubt and subject to the provision of section 18 of this Act, its is hereby declared that on the death of a member, the entitlements of that member shall be paid to the Wakf and Trust Commission for distribution to the beneficiaries according to the Law for a Muslim member or to the Registrar General for other members of the Fund.   |