A PROCLAMATION TO AMEND THE PUBLIC SERVANTS’ PENSION PROCLAMATION

WHEREAS, it has become necessary to amend the Public Servants’ Pension Proclamation No. 714/2011;

NOW, THEREFORE, in accordance with Article 55(1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:

1. Short title

This Proclamation may be cited as the “Public Servants’ Pension (amendment) Proclamation No.907/2015”.

2. Amendment

The Public Servants’ Pension Proclamation No. 714/2011 is hereby amended as follows:

1/ sub-articles (1) and (14) of Article 2 of the Proclamation are deleted and replaced by the following new sub-article (1) and (14):
1/ ‘public servant’ means monthly salaried person employed permanently or for definite period or piece of work in a public office, public enterprise or project or program carried out by government, and includes government appointees, members of parliament, members of the defense force and the police;

14/ ‘benefit’ means retirement pension, invalidity pension, incapacity pension or survivors pension and includes gratuity;

2/ the following new sub-article (19) is added after sub-article (18) of Article 2 of the Proclamation and the existing sub-articles (19), (20), (21) and (22) are re-numbered as sub-articles (20), (21), (22) and (23), respectively:

"19/ ‘definite period or piece of work’ means a work in a public office, public enterprises or project or program undertaken by government on the bases of temporary or piece of work employment for not less than 45 days and it does not include a work to be performed by daily laborer, a work for cotton collection, sugar cane cutting and such other similar works regularly repeated in the course of the year;"
3/ the following new sub-article (14) is added after sub-article (13) of Article 12 of the Proclamation and the existing sub-articles (14), (15) and (16) are re-numbered as sub-articles (15), (16) and (17), respectively:

"14/ If the public enterprise or self-financing public office fails to pay pension contribution collected pursuant to sub article (2) of this Article within 30 days, it shall be liable to pay interest with the bank deposit interest rate and in addition 5% penalty for the unpaid pension contribution calculated from the first day of the month following the last day of the month in which payment of salary has been effected."

4/ sub-article (6) of Article 17 of the Proclamation is deleted and the following new sub-articles (6) and (7) are added and the existing sub-article (7) is renumbered as sub-article (8):

"6/ Where a person who has received gratuity payment pursuant to this Proclamation or the Private Organization Employees’ Pension Proclamation is re-employed or assigned as a public servant, his former service shall, without prejudice to sub-article (3) of Article 16 of this Proclamation, be counted along with the new service; provided, however, that the gratuity he received shall be paid back.
7/ A person to whom reimbursement of pension contribution has been made pursuant to this Proclamation or the Private Organization Employees' Pension Proclamation, before the coming into force of this amendment Proclamation, is re-employed or assigned as a public servant, his former service shall, without prejudice to Article 16(3) of this Proclamation, be counted along with the new service; provided, however, that the reimbursed contribution shall be paid back with interest calculated at bank deposit interest rate.

5/ sub-article (2) of Article 19 of the Proclamation is deleted and replaced by the following new sub-article (2):

"2/ A public servant who has completed at least 10 years and separates from the service by voluntary resignation or for any other cause other than those provided for in this Proclamation, commencing from the date of coming into force of this amendment Proclamation, shall receive retirement pension for life upon attaining retirement age pursuant to sub-article (1) of Article 18 of this Proclamation."

6/ the following new sub-article (4) is added after sub-article (3) of Article 20 of the Proclamation:
4/ Notwithstanding the provisions of sub-article (1) and (2) of this Article, Article 19(2) of Private Organization Employees’ Pension (amendment) Proclamation No. 908/2015 shall be similarly applicable for the service rendered in private organization.”

7/ Article 27 of the Proclamation is deleted and replaced by the following new Article 27:

“27. Non-Reimbursement of Pension Contribution

If the employment contract of a public servant is terminated due to any reason, the pension contribution may not be reimbursed.”

8/ sub-article (2) of Article 49 of the Proclamation is deleted and the existing sub-articles (3) and (4) are re-numbered as sub-articles (2) and (3);

9/ the following new sub-article (3) is added after sub-article (2) of Article 51 of the Proclamation:

“3/ Notwithstanding the provision of Article 9 of Social Health Insurance Proclamation No. 690/2010 and sub article (1) and (2) of this Article, a contribution for social health insurance shall be deducted monthly from pension benefit and transferred to social health insurance fund. However:
(a) if the beneficiary who receives monthly pension benefit also receives salary from employment, a contribution for social health insurance shall be deducted only from his monthly salary;

(b) if the beneficiary who receives pension benefit also receives survivors' pension benefit, the contribution for social health insurance shall be deducted only from the pension benefit he gets by his own."

10/ sub-article (1) of Article 52 of the Proclamation is deleted and the following new sub-articles (1) and (2) are added before sub-article (2) and the existing sub-articles (2), (3), (4) and (5) are renumbered as sub-articles (3), (4), (5) and (6) respectively:

"1/ If a beneficiary who receives retirement benefit is employed by a public office as a public servant and has not reached the retirement age, his new service year shall be counted in addition to his previous service.

2/ Without prejudice to sub-article (1) of this Article, if the amount of retirement pension calculated based on the accumulated service is less than the previous one, the beneficiary shall have the right to receive the previous pension benefit; provided, however, that there may not be any payment of benefit or contribution reimbursement for the service.
11/ the following new sub-articles (7), (8), (9) and (10) are added after sub-article (6) of Article 59 of the Proclamation:

"7/ Without prejudice to sub-article (5) of Article 17, the provisions of this Proclamation shall apply to public servant who have been employed temporarily in a public office, public enterprise or project or program carried out by government before the coming into force of Proclamation No. 345/2003 and become permanent; provided, however, that he shall be serving as public servant on the date of coming into force of this Proclamation and pays the due contribution.

8/ Without prejudice to sub-article (4) of Article 19 and sub-article (1) of Article 59 of the Proclamation, sub-article (3) of Article 19 of the Proclamation shall be applicable to public servant who have completed at least 25 years of service and separates from service on different grounds before the effective date of this amendment Proclamation.

9/ Without prejudice to sub-article (1) of this Article, a public servant or beneficiary who lost his right to have retirement pension benefit due to criminal punishment for not less than three years rigorous imprisonment, shall have right to receive pension benefit after the
10/A period of service not counted for the reason mentioned in sub-article (9) of this Article shall be added to the new services of the public servant who is engaged on or after the effective date of this Proclamation.

3. Effective date

This Proclamation shall enter into force as of the 8th day of July, 2015.

Done at Addis Ababa, this 10th day of July, 2015.

MULATU TESHOME (DR.)

PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA