



# Social Protection system in Rwanda

5<sup>th</sup> December 2023

# Presentation Outline

- Defining social protection
- Policy framework
- Social protection system in Rwanda
- Governance of the social protection system
- Pension , OH and MLB management
- Challenges and Opportunities

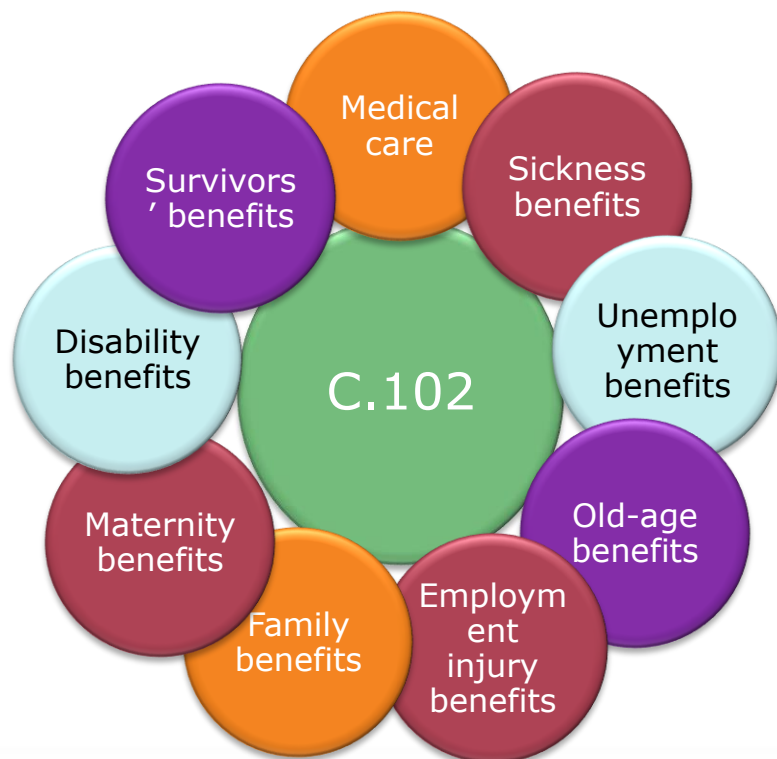


# Defining social protection

*Human right:  
Set of policies and programs designed to reduce  
poverty and vulnerability throughout life cycle*

Social Security (Minimum Standards)  
Convention, 1952 (No. 102).

Nine branches:



Social Protection Floors Recommendation, 2012  
(No. 202). Four basic social security guarantees:



# Policy framework

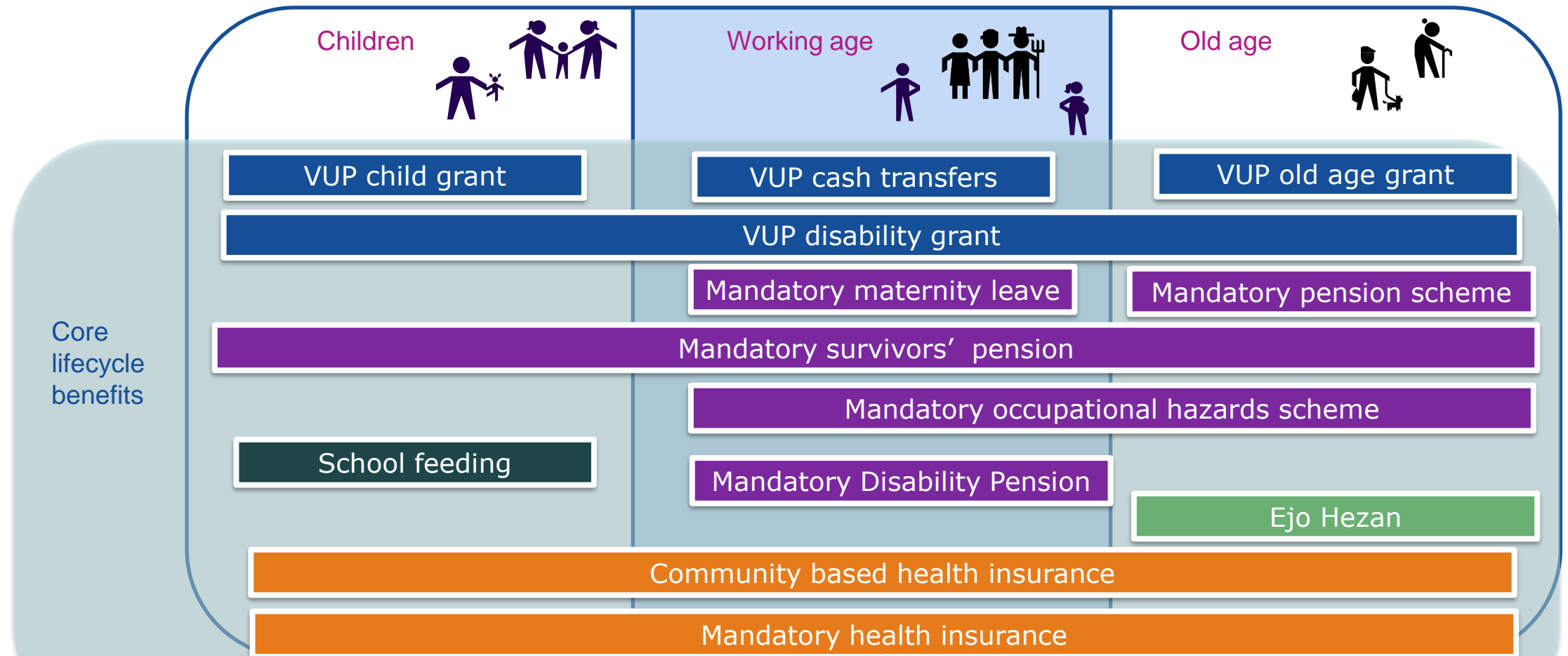
## National Social Security Policy 2009

- Mandatory pensions
- Mandatory occupational hazards – mandatory for formal
- Universal health coverage
- Maternity and sickness coverage – mandatory for formal
- Unemployment benefits – as soon as economically possible

## National Social Protection Policy 2020 – 2024

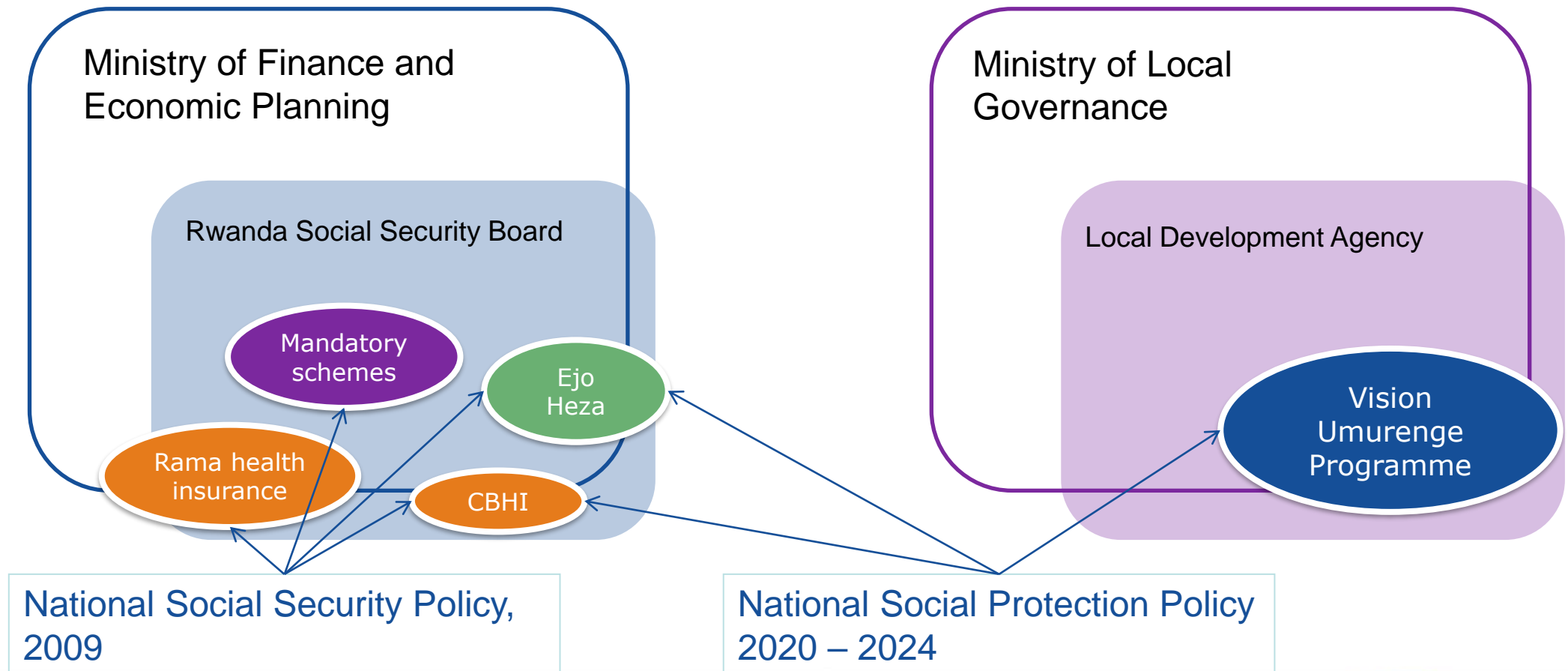
- **Increased access** to social security and income support programmes
- Strengthened contribution of SP to **reducing malnutrition**
- More effective **SP responses to shocks and crises**
- Improved access to **Social Care Services** delivery for the most vulnerable
- Improved access and strengthened service for the **Elderly persons**
- Extremely poor households have increased access to **livelihood support services** for economic empowerment
- Strengthened values of self-reliance, **respect for rights and community-based support** for the vulnerable
- Strengthened **institutional capacity** for policy development and social protection service delivery

# Social protection system in Rwanda



# Governance of the social protection system

Social Protection Sector Working Group and sub-sector working groups



# Pension Scheme and Occupational Hazard Management

## Pension Scheme:

- ✓ Established in 1962
- ✓ Financed by both employers and employees
- ✓ 3% employer, 3% employee
- ✓ Pension Benefits: Old age, Invalidity, Anticipated and Survivors given upon fulfilling required documents.
- ✓ Retirement age: 60-65 years

## OH Scheme:

- ✓ Established in 1962
- ✓ Financed by employers only
- ✓ 2% of employee's gross salary
- ✓ OH Benefits: Permanent disability benefits, Lump-sum, Survivorship, Daily sickness allowance, Medical care

# Maternity Leave scheme Management

- **Contribution:**

- The contribution rate 0.6% of the gross salary.
- Equally shared 0.3% employer and employees

- **Benefits:**

Fully paid maternity leave (6 weeks)

One additional month of benefits in case of delivery complications, necessitating prolonged maternity leave.



# Employers and Employees Registration

- The employer shall be required to register with the public institution in charge of pension schemes within seven (7) working days from employment of the first employee
- The employer must have a newly hired employee registered within seven (7) working days from the date of employment

# Persons subject to mandatory pension, OH and MLB scheme

- All employees governed by the Law regulating labour in Rwanda regardless of nationality, type of contract, duration of the contract or the amount of wages;
- Employees governed by the General Statutes for Public Service and civil servants governed by special statutes; Political appointees
- Employees of international organizations, national nongovernmental organizations, international non-governmental organizations, faith-based organizations and employees of Embassies accredited to Rwanda.
- Employees working for an enterprise operating in Rwanda but seconded to work for the same enterprise in another country shall remain subjected to pension scheme applicable in Rwanda provided the duration of work does not exceed twelve (12) months
- Employees working for an enterprise operating abroad but seconded to work for the same enterprise in Rwanda remain subject to the pension scheme to which they are affiliated provided the duration of work does not exceed twelve (12) months

# Contributions collection

- **Mandatory:**
- The contributions are based on gross salary : composed of base salary, allowances, bonuses and other fringe benefits as well as the cash value of the benefits in kind. However, allowances with refund character and retirement benefits shall not be included in the contribution base;
- The employer is responsible for the collection of all contributions composed of the employer's share and the employee's share deducted at the time of payment of wages.
- Declaration and Remittance of the contribution to mandatory pension scheme is done on a monthly basis.
- The employer who does not pay contributions is held responsible for the remittance of contributions and penalties relating thereto without making any deduction from the employee's salary.
- **Voluntary :** not exceed one hundred and thirty per cent (130%) of final salary used as the basis for calculating contribution

## Some of best practices

- Online membres registration,
- Online contribution checking (IMISANZU)
- Unified declaration and contribution collection system,
- Decentralisation of services to local level (districts)
- Benefits Portability (Burundi, DRC);
- Pensioners covered by Medical Insurance (monthly Benefits)
- Monthly Pension may serve as collateral for Loan in Banks
- Online services application of services and required documents

# Challenges

- Separation between contributory and non-contributory system: interoperability? efficiency gains?
- Limited Coverage
- Limited awareness and understanding of social protection as a right
- Limited resources/ financial sustainability
- Limited compliance
- Information systems and payment mechanisms

# Opportunities

- Political commitment to social protection
- Strong legal framework
- Flexible schemes
- RSSB reform process
- Supportive policy framework: linkages with employment policies, digitalization,...





**Thank you**