

Proclamation No -----/2021

PRIVATE ORGANIZATION EMPLOYEES PENSION PROCLAMATION

WHEREAS, it is part of the country's social policy to expand the social security system and reach citizens step by step;

WHEREAS, it is found necessary by strengthening and improving private organization employees' pension scheme and pension fund to ensure the reliability and sustainability;

WHEREAS, in line with the country rapid economic and social development, the system needs to adapt and update to benefit citizens;

WHEREAS, the expansion and consolidation of the system will significantly contribute to social justice, industrial peace, poverty reduction and development;

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

PART ONE

GENERAL

1. Short Title

This Proclamation may be cited as "Private Organization Employees' Pension Proclamation No. -----/2021".

2. Definitions

In this Proclamation, unless the context otherwise requires:

1/ "private organization employee" means a salaried person employed in a private organization for not less than forty five days for definite or indefinite period of time or piece of work including managerial employees.

2/ "private organization" means an organization established to engage in commerce, industry, agriculture, construction, social service or in any other lawful activity and which has salaried employees and includes charities and associations;

- 3/ "government" means the federal government and includes the regional states of the Federal Democratic Republic of Ethiopia;
- 4/ "Region" means any Region referred to in Article 47 (1) of the Constitution of the Federal Democratic Republic of Ethiopia, which includes other Regions established or will be established in accordance with sub-article (2) of this Article, as well as the administrations of Addis Ababa and Dire Dawa.
- 5/ "private organization service" means service rendered by employees of private organizations;
- 6/ "Benefit" means retirement pension, invalidity pension, incapacity pension or survivors' pension and includes gratuity pension;
- 7/ "Salary" means monthly salary received by the employees of private organization, for services rendered during regular working hours without the deduction of any amounts in respect of income tax or any other matter;
- 8/ "Beneficiary" means an employee of private organization or his survivor who receives benefits or fulfills the conditions for receiving benefits in accordance with this Proclamation;
- 9/ "Survivors" means persons mentioned under Article 39(3) of this Proclamation;
- 10/ "private organization employees' pension scheme" means a system established to pay benefit and provide service to employees covered by this Proclamation;
- 11/ "pension fund" means a fund established for the purpose of collecting pension contributions and effecting benefit payments pursuant to this Proclamation;
- 12/ "Administration" means Private Organization Employees Social Security fund administration established by the Council of Ministers;
- 13/ "person" mean any natural or juridical person;
- 14/ any expression in the masculine gender includes the feminine.

3. Scope of Application

- 1/ Without prejudice to the appropriate provisions of the Proclamation No. 270/2002 that provide pension coverage to foreign nationals of Ethiopian origin and international agreements to which the country is a party, this Proclamation shall be applicable to employees of private organizations who are Ethiopian nationals.
- 2/ all employees, who have provident fund or any other scheme called by any other name before the coming into force of this Proclamation, shall be covered by this scheme. The administration may issue the details by the directive.
- 3/ notwithstanding sub article 1 of this article, employees of religious organizations and political organizations and persons engaged in the informal sector shall, upon their consent, be covered by this Proclamation.
- 4/ notwithstanding the provision of sub-article (1) of this Article, this Proclamation shall not be applicable to:
 - a) Domestic workers; and
 - b) Employees of governmental international organizations and foreign diplomatic missions.
 - c) Sole owner's managers or Sole owner's employee.

PART TWO

SOCIAL SECURITY REGISTRATION AND IDENTIFICATION NUMBER

4. Registration

- 1/ any private organization shall, for the purpose of registration, submit to the fund copies of its establishment law and its license, personal, service and family data registration form of its employee taken at the time of first employment, letter of employment issued to the employee and other particulars determined by the administration.
- 2/ the time limit for submission of data in accordance with sub-article (1) of this Article shall, in the case of new private organizations established or new employees of private organizations employed, within 60 days from the date of establishment or employment.

5. Social Security Registration Identification Number

- 1/ Any private organization or an employee shall, upon submission of complete data for registration, be assigned with social security identification number; provided, however, that the tax identification number or national identification number given by authorized government body if any, shall also be taken as social security identification number as the case may be.
- 2/ any employee, when employed by another private organization covered by social security scheme shall notify his identification number to such office or organization.

6. Notification of Changes in Entries of Registration

- 1/ any private organization shall, when change of entry of its organization or employee occurs, notify such change to the administration, with supporting evidence, within 60 days of the occurrence of such change.
- 2/ every employee shall notify, with supporting evidence, to the private organization that he is working for, any change regarding his survivor's status.
- 3/ any beneficiary who is receiving benefit shall notify, with supporting evidence, to the administration any change of survivors status in the entries of social security registration within 60 days of the occurrence of such change.
- 4/ any notification of change in the entry of social security registration relating to a private organization, employee or beneficiary shall indicate the corresponding social security identification number.
- 5/ where a private organization to which a social security registration identification number is assigned has been dissolved, divided or amalgamated,
 - a) The former Director or the liquidator, in the case of dissolution;
 - b) The private organization to which employees have been transferred, in the case of division or amalgamation,

Shall notify same to the administration, with supporting document, within 60 days from the date of the decision to such effect:

7. Consequences of Failure to Submit Data for Registration

- 1/ the concerned officer of a private organization, who fails to organize, keep and timely submit data to the administration for registration as provided under this Part shall be punishable in accordance with Article 60 of this Proclamation.

- 2/ Where an employee or beneficiary fails to submit timely data relating to changes in survivors status entries of registration as provided under this Part, his survivors' entitlements to benefits shall be based on the survivor registration data that have already been organized and kept by the administration.

PART THREE

PENSION SCHEME, FUND AND CONTRIBUTIONS

8. Establishment of Pension Scheme

Private Organization Employees' Pension Scheme is here by established.

9. Establishment of Pension Fund

Private Organization Employees' Pension Fund is here by established.

10. Contribution to the Private Organization employees' Service Pension Fund

The contributions payable to the Private Organizations employees 'service Pension Fund shall, based on the salary of the employee of the private organization, be:

- 1/ by the employer, 11%;
- 2/ by the employee, 7%.

11. Pension contribution collection

The private organization employees' pension fund contribution, interest and penalty shall be collected by the federal ministry of revenue, by the regions revenue authority or an authority legally established for the collection of revenue and tax and called by any other name. The detail is issued by the directive of the administration.

12. Payment of Pension Contributions

- 1/ every private organization shall deduct contributions of its employees from their salaries and pay the amount, together with its own contributions to the Pension Fund monthly.
- 2/ the contributions referred to in sub-article (1) of this Article shall be paid to the Pension Fund within 30 days from the last day of the month in which payment of salary shall be effected.
- 3/ where the private organization fails to deduct contributions of its employees from their salaries, it shall be liable for payment of same.
- 4/ If the private organization fails to pay pension contribution collected pursuant to sub article (1) of this Article within 30 days the salary shall be effected or if it is a salary increment after the decision of the increment, it shall be liable to pay interest with the

bank deposit interest rate including monthly 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 will be effected or the salary increment is decided. However the total penalty shall not be greater than the total debt of the pension contribution.

- 5/ Contributions of private organizations and employees of private organization, interest and penalty shall be collected within the time specified under sub article (2) of this Article by the bodies mentioned under article 11 of this proclamation and shall be paid to the Pension Fund within the first 10 working days of the following month.
- 6/ if necessary, the pension contribution that cannot be reached by bodies mentioned under article 11 of this proclamation, may collect by the administration itself or by any other body delegated by the administration.
- 7/ pursuant to this article, the administration for the proper computation of contributions to be collected and timely paid to the pension fund, shall have the power to supervise, control and make an audit private organizations and authorized bodies to collect pension contribution, in their office or by asking to provide relevant documents of the pension contribution collected and, to take a legal action if they fail to pay with in the given time.
- 8/ Where a private organization fails to pay contributions for a period of more than three months, the administration, authorized bodies under article 11 of this proclamation or the delegated body has the power to cause the deduction of the debt from its bank or financial institution account.
- 9/ any bank or financial institution shall, when requested by the administration, authorized bodies under article 11 of this proclamation or the delegated body, have the obligation to deduct, without any precondition, the debt of contributions, penalty and interest from the account of the private organization and deposit to the pension contribution collection bank account.
- 10/ According to sub article (9) of this article, after written instruction of the administration, authorized bodies under article 11 of this proclamation or the delegated body, the bank or financial institution permit to withdraw any amount of money from the account of such private organization, before the settlement of the debt, the bank or financial institution as the case may be is responsible to the extent the amount withdrawn or the remaining debt.

- 11/ A private organization which pays salary to employees covered by pension scheme shall have an obligation to notify in a written form, to the administration the branch of the bank and the account number in which it has deposited money, and any change of address of the bank and bank account within 15 days of the occurrence of such change.
- 12/ for pension contribution that unable to collect pursuant to this article the administration may issue the directive of seizing and selling the property of private organization that failed to discharge its obligation to pay pension contribution. The administration, authorized bodies under article 11 of this proclamation or the delegated body shall have the power to collect the pension contribution, penalty and interest in line with the directive issued by the administration.
- 13/ it is prohibited to deduct from pension contributions for payment of service charges, money transfer charges or debt or for any other purpose.
- 14/ since pension contribution Payment emanates from employment agreement and it is the social security payment for the employees, the payment of pension contributions shall have priority emanate from the law, agreement, or court decision or over any payment of debt.
- 15/ any privet organization unless provide clearance for the full payment of pension contribution from the authorized body to collect pension contribution under article 11 of this proclamation, any license given by the authorized government body shall not be renewed.
- 16/ the general manager of a private organization which has been dissolved, divided or amalgamated, pursuant to sub article (5)of article 6 of this proclamation ,is liable` for the unpaid arrears pension contribution.

13. Administration of Pension Fund

The Pension Fund established under Article 9 of this Proclamation shall be administered by the administration.

14. Utilization of Pension Fund

- 1/ The Pension Fund shall be utilized only for:
 - a) Effecting benefit payments stipulated in this Proclamation;
 - b) Profitable and reliable investments specified by the administration;
 - c) the administrative expenses of the administration.

2/ The Pension Fund may not be attached or secured in respect of any debt.

15. Actuarial Analysis and Evaluation

The Pension Scheme shall be evaluated by actuaries every five years.

PART FOUR

PERIOD OF SERVICE AND RETIREMENT AGE

16. Commencement of Period of Service

- 1/ the period of service of employee shall begin with the date of his employment covered by pension scheme.
- 2/ the service that an employee of a private organization rendered to public offices covered by the pension scheme shall be counted starting from the date of pension contribution payment
- 3/ for the purpose of service counting pursuant to sub article 2 of this article, the organ which administers the Public Servants Pension Scheme shall transfer, within one month, the personal records of the employee to Private Organizations Employees' Pension scheme
- 4/ Subject to the provisions of sub-article (2) of this Article, the issue of transfer of pension contributions from the Public Service Pension Fund to the Private Sector Employees' Pension Fund and the transfer of funds from the Private Sector Employees' Pension Fund to the Public Service Pension Fund shall be determined based on the directives issued by the National Bank.

17. Calculation of Period of Service

- 1/ Period of service shall be calculated in complete years, months and days.
- 2/ Without prejudice to the provisions of article 16 of this Proclamation, the period of service of an employee shall include all services rendered in a private organization covered by the Pension Scheme.
- 3/ for any employee the following shall be counted as period of service:
 - a) Period of service which was interrupted without interruption of payment of salary;
 - b) Period of service spent in any public body by the public or trade union elected member;

- c) Notwithstanding the provision of sub article (4)(b) of Article 3 of this Proclamation, period of service spent, upon a government decision, in an international organization.
- 4/ without prejudice to any international agreement to which Ethiopia is a party, the service rendered by naturalized Ethiopian in any private organization covered by the Private Organizations Employees' Pension Scheme before his naturalization shall not be counted
- 5/ Period of service referred to under sub-article (3) (b) and (c) of this Article shall be counted for a period of service only where the employee pays the contributions by himself including that of the employer or causes the employer to effect payments of same.
- 6/ Where an employee who has received retirement or invalidity gratuity pursuant to this Proclamation or public servant pension proclamation is re-employed as an employee of a private organization covered by the Private Organizations Employees' Pension Scheme, his former service shall, without prejudice to Article 16 of this Proclamation, be counted along with the new service; provided that the gratuity is paid back.
- 7/ A person to whom reimbursement of pension contribution has been made before the coming in to force of this Proclamation or the public servant pension proclamation, if employed as an employee of private organization covered by the Private Organizations Employees' Pension Scheme, before retirement age his former service shall, without prejudice to Article 16 of this Proclamation, be counted along with the new service; provided, however, that the reimbursed contribution is paid back with interest calculated at bank deposit interest rate.
- 8/ On the basis of studies submitted to it by the administration, the Council of Ministers may decide that period of service spent on hazardous jobs or on jobs involving risk to health and life be counted up to twice the actual period of service.

18. Retirement Age

- 1/ the retirement age of an employee shall be 60 years based on the date of birth registered when he was employed for the first time.

- 2/ any evidence submitted to change or modified the pre-registered age or date of birth in accordance with sub-article (1) of article 4, and sub-article (1) of article 6 of this article shall not be accepted.
- 3/ On the basis of studies submitted to it by the administration, the Council of Minister may determine higher retirement age than the age provided for under sub-article (1) of this Article with respect to professions that may deserve special consideration.
- 4/ On the basis of studies submitted to it by the administration, the Council of Ministers may decide retirement age lesser than the age provided for under sub-article (1) of this Article for employees of private organizations working on hazardous jobs or on jobs involving risks to health and life.

PART FIVE

RETIREMENT PENSION AND GRATUITY

19. Retirement Pension

- 1/ An employee who has served for at least 10 years, he shall receive retirement pension benefit for life upon attaining retirement age.
- 2/ An employee who has completed at least 25 years of service and separates from the service by voluntary resignation or for any other causes other than those provided for in this Proclamation shall receive retirement pension for life beginning with five years prior to retirement age.
- 3/ Without prejudice to the entitlement of pension right up on attainment of retirement age, the provisions of sub-article (2) of this Article shall not be applicable to an employee who separates from the service on grounds of disciplinary measures.
- 4/ Where it is ascertained that an employee who has separated from service in accordance with sub-article (1)(2) or (3) of this Article due to health problem which prevent him from engaging in any remunerated work prior to attaining the retirement age he shall receive retirement pension for life starting with the month following such ascertainment by the medical board; in case he dies, his survivors shall be paid benefits starting with the month following his death.

20. Amount of Retirement Pension

- 1/ the retirement pension due to any employee shall be 30% of his average salary of the last three years preceding retirement and shall be increased by 1.25% for each year of service beyond 10 years.
- 2/ Without prejudice to sub-article (1) of this Article, an employee who is employed in a private organization if paid more than 25% annual average salary payment on the salary that pension contribution was paid a month before 3 years of his pension entitlement , the 25% annual average salary payment shall only be considered for the calculation of three years average monthly salary.
- 3/ for any private organization employee who has served as a member of the national defense force or as a member of police, the service shall be calculated and added in accordance with the formula set under public servant pension proclamation.
- 4/ the retirement pension to be paid pursuant to sub-article (1),(2) and (3) to of this Article may not exceed 70% of the average salary calculated for pension benefit entitlement of the employee.

21. Retirement Gratuity

An employee who has not completed 10 year of service and retires on attaining retirement age shall receive gratuity.

22. Amount of Retirement Gratuity

- 1/ The gratuity payable in accordance with Article 21 of this Proclamation shall be his salary for 1.25 month preceding retirement multiplied by the number of years of service.
- 2/ Without prejudice to sub-article (1) of this Article, an employee who is employed in a private organization if paid more than 25% annual average salary payment on the salary that pension contribution was paid a month before 3 years of his pension entitlement, the 25% annual average salary payment shall only be considered for the calculation of gratuity.

PART SIX

INVALIDITY PENSION AND GRATUITY

23. Invalidity Pension

Employee who has completed at least 10 years of service and separates from service due to health problems preventing him from engaging in any remunerated work shall receive invalidity pension for life.

24. Amount of Invalidity Pension

The invalidity pension payable in accordance with Article 23 of this Proclamation shall be calculated as provided under Article 20 hereof.

25. Invalidity Gratuity

An employee who has not completed ten years of service and separates from service on becoming unfit for service due to health problems shall receive invalidity gratuity.

26. Amount of Invalidity Gratuity

The gratuity payable in accordance with Article 25 of this proclamation shall be calculated as provided under Article 22 hereof.

PART SEVEN

EMPLOYMENT INJURY PENSION AND GRATUITY

27. Definition

- 1/ “employment injury” means an occupational accident or occupational disease.
- 2/ “occupational accident” means any organic injury or functional disorder suddenly sustained by an employee during or in connection with the performance of his work, and shall include the following:-
 - a) any injury sustained by an employee of private organization while carrying out orders given by a competent authority outside of his regular work or working place or working hours;
 - b) Any injury sustained by an employee during or outside of working hours while attempting to protect the private organization from accident or destruction irrespective of an order given by a competent authority;
 - c) any injury sustained by an employee while he is proceeding to or from his place of work in a transport service vehicle provided by the private organization which is available for the common use of its employees or in a vehicle hired and expressly destined by the organization for the same purpose;
 - d) any injury sustained by an employee before or after his work or during any interruption of work, if he is present in the work place or the premises of the private organization by reason of his duties in connection with this work;

- e) any injury sustained by an employee as a result of an action of the private organization or a third person during the performance of his work.
- 3/ “occupational disease” means any pathological condition of an employee which arises as a consequence of being exposed to the agent that cause the disease for a certain period prior to the date in which the disease became evident due to the kind of work he performs or because of the surrounding in which he works; provided, however, that it does not include endemic or epidemic diseases which are prevalent and contracted in the area where the work is done.
- 4/ “regular work” means a work performed by an employee pursuant to his assignments or contract of employment.
- 5/ “regular place of work” means a place where an employee performs his duties for definite or indefinite period.

28. Self-Inflicted Injury

The provisions of Article 27 of this Proclamation shall apply only where the employee has not inflicted the injury upon himself intentionally. Any injury resulting from, in particular, the following acts shall be deemed to be intentionally caused by the employee:

- 1/ non-observance of safety instructions or preventive rules specifically issued by the private organization; or
- 2/ work in a state of intoxication that prevents him from properly regulating his conduct or understanding.

29. Schedule of Occupational Diseases and Degrees of Incapacity

- 1/ the administration shall, in consultation with the appropriate organ and by directives, issue a schedule that lists:
 - a) The degrees of incapacity;
 - b) With respect to each occupational disease:
 - (1) The symptoms;
 - (2) The kind of work or surrounding that gives rise to the disease;
 - (3) The minimum duration of exposure to the agent causing the disease.
- 2/ the schedule issued in accordance with sub article (1) of this Article shall be revised periodically as necessary.

30. Presumption

- 1/ where a disease listed in the schedule is contracted by an employee of private organization engaged in the corresponding work place or kind of work, it shall be presumed an occupational disease.
- 2/ where an employee who had recovered from an occupational disease is re-infected due to continued placement in the occupation corresponding to the disease listed in the schedule, he shall be presumed to have contracted the occupational disease afresh.
- 3/ notwithstanding sub-article (3) of Article 27 of this Proclamation where an employee engaged in the eradication of endemic or epidemic disease contracts same, it shall be presumed an occupational disease.

31. Admissibility of Evidence

Production of evidence may be permitted to prove that a disease not listed in the schedule issued under Article 29 of this Proclamation is of occupational origin, and that a disease listed in the schedule has been manifested in different symptoms from those indicated therein.

32. Notification of Accident

Where an employee sustains occupational injury, the private organization shall notify, in writing, the occurrence of same to the administration within 30 days of such occurrence. Failure to do so shall make the private organization liable for the injury sustained by the employee.

33. Assessment of Employment Injury

- 1/ the extent of employment injury sustained by an employee shall be assessed by authorized medical board.
- 2/ any medical board shall assess the extent of employment injury based on the schedule issued pursuant to Article 29 of this Proclamation.
- 3/ when it deems necessary, the administration may refer the assessment to another medical board for further evaluation.

34. Incapacity Benefit

Incapacity pension for life or incapacity gratuity shall be paid, as the case may be, to an employee of private organization who sustains employment injury of not less than 10%.

35. Incapacity Pension

An employee who sustains employment injury of not less than 10% and separates from work due to permanent incapacity that prevents him from engaging in any remunerated work shall receive incapacity pension for life.

36. Amount of Incapacity Pension

- 1/ the amount of incapacity pension to be paid in accordance with Article 35 of this Proclamation shall be 47% of his salary which he was receiving during the month prior to the occurrence of the injury.
- 2/ If the retirement pension to which the employee is entitled is higher than the incapacity pension to be paid pursuant to sub-article (1) of this Article, he shall receive the retirement pension.

37. Incapacity Gratuity

- 1/ an employee who sustains employment injury of not less than 10% without loss of capacity to work shall receive incapacity gratuity in the form of lump sum.
- 2/ If the employee is entitled to compensation for damage in accordance with the appropriate law or collective agreement from the employer or insurance benefit, he shall not receive the incapacity gratuity to be paid pursuant to sub-article (1) of this Article.

38. Amount of Incapacity Gratuity

The amount of incapacity gratuity payable in accordance with sub-article (1) of Article 37 of this Proclamation shall be equal to 47% of the monthly salary of the employee which he was receiving during the month preceding the occurrence of the injury multiplied by 60 and the percentage of injury sustained.

PART EIGHT

SURVIVORS PENSION AND GRATUITY

39. General

- 1/ Pension shall be paid to the survivors of an employee who dies:
 - a) While receiving retirement or invalidity or incapacity pension; or
 - b) While in service upon completing at least 10 years of service; or
 - c) due to employment injury.
- 2/ If an employee who has not completed 10 years of service dies before he separates from the service, his survivors falling under sub-article (3)(a) and (b) of this Article shall receive gratuity.
- 3/ the following shall be considered as survivors:
 - a) a widow or widower;

- b) Children of the deceased who are under the age of 18 years or in case of disabled child or child with mental health problem, under the age of 21 years;
- c) Parents who were wholly or mainly supported by the deceased preceding his death.

40. Widow's or Widower's Pension

- 1/ the amount of pension payable to a widow or widower shall be 50% of the pension to which the deceased was or would have been entitled.
- 2/ Widow's or widower's pension shall be discontinued from the beginning of the month following remarriage where:
 - a) The age of widow is less than 45 years; or
 - b) The age of widower is less than 50 years.
- 3/ a widow or widower shall return the pension received in violation of sub-article (2) of this Article.
- 4/ the provisions of sub-articles (2) and (3) of this Article shall not be applicable to disabled widow or widower.
- 5/ where a widow or widower is entitled to more than one pensions in accordance with the provisions of this Article, the one that is higher shall be paid.

41. Surviving Child's Pension

- 1/ the amount of pension payable to surviving child shall be 20% of the pension to which the deceased was or would have been entitled.
- 2/ If both parents are dead, the amount of pension payable to surviving child in accordance with sub-article (1) of this Article shall be 30%.
- 3/ If both parents of a child are dead, he shall receive 20% of the pension to which each of the deceased parent was or would have been entitled; provided, however, that the sum of such pensions shall not be less than the amount payable in accordance with sub article (2) of this Article.

42. Parent's Pension

The amount of pension payable to each parent shall be 15% of the pension to which the deceased was or would have been entitled. If there are no survivors other than the parents, the pension shall be 20%.

43. Survivors' Gratuity

The amount of gratuity payable to the survivors referred to under Article 39 (2) of this Proclamation shall be the amount of gratuity to which the deceased would have been entitled and shall be calculated in accordance with the percentage specified in Article 40(1) or Article 41 of this Proclamation, as the case may be.

44. Limit of Survivors' Benefits

- 1/ The total amount of benefits payable to survivors in accordance with the provisions from Article 40 to Article 43 of this Proclamation shall not exceed 100% (hundred percent) of the benefit to which the deceased was or would have been entitled. In the case of excess sum, each survivor's share shall be proportionately reduced to adjust until the total comes down to 100%.
- 2/ If the number of survivors is reduced subsequent to adjustment under sub-article (1) of this Article, further adjustment of the amount of benefits shall be made accordingly.

PART NINE

GENERAL PROVISIONS RELATING TO BENEFITS

45. Adjustment of Pension and amount

Based on the status of the pension fund and the existing living condition, the Board of directors of the administration, may determine monthly minimum pension amount and adjust pension benefit.

46. Mode and Period of Payment of Pension

- 1/ Payment of pension shall be commenced monthly.
- 2/ Retirement pension shall commence to accrue as of the first day of the month following that in which the employee retires.
- 3/ Invalidity pension shall commence to accrue as of the first day of the month following that in which the invalidity of the employee is ascertained by medical board.
- 4/ Incapacity pension shall commence to accrue as of the first day of the month following that in which the permanent total incapacity sustained by the employee is ascertained by medical board.

5/ Survivor's pension shall commence to accrue as of the first day of the month following that in which the beneficiary dies.

47. Mode and Period of Payment of Gratuity

- 1/ Payment of any gratuity shall be commenced in lump sum at once.
- 2/ Retirement or invalidity gratuity shall be payable beginning with the first day of the month following that in which the employee separates from the service.
- 3/ Incapacity gratuity shall be payable beginning with the day where evidence ascertaining the injury and its degree is submitted.

48. Period of Limitation

- 1/ any claim for payment of arrears of pension or payment of gratuity shall be barred by limitation after 3 years.
- 2/ the period of limitation shall begin to run from the day following that in which the right may be exercised.
- 3/ the period of limitation shall not include the following:
 - a) period lapsed due to a court process started to establish right;
 - b) After written request of the administration, period lapsed due to failure of a private organization to submit relevant evidentiary documents of pension benefit entitlement for its employee;
 - c) Periods necessary for the decision of benefit entitlement by the administration.

49. Non-Reimbursement of Pension Contribution

If the employment contract of an employee is terminated due to any reason, the pension contribution may not be reimbursed for the private organization as well as for the employee.

50. None-Transferability of Benefit Entitlement

The right to receive benefits shall not be pledged or transferred by inheritance or any other means.

51. Attachment of Benefits

Benefits payable in accordance with this Proclamation shall not be attached in relation to any debts unless ordered by a court in respect of:

- 1/ public fines, taxes or charges; or
- 2/ fulfillment of obligation to supply maintenance in accordance with the relevant law.

- 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 principal beneficiary who receives pension benefit also receives survivors' pension benefit, the contribution for social health insurance shall be deducted only from the pension benefit of principal beneficiary."

PART TEN

MISCELLANEOUS PROVISIONS

52. Relationship Between Entitlements

- 1/ An employee who receives pension benefit from private organization pension schema if employed in a private organization covered by this Proclamation and has not reached the retirement age, his new service shall be added to his previous service; provided, however, that if the retirement benefit based on the accumulated service is less than the previous one, without prejudice to his right to receive the previous pension, he may not receive any payment or contribution reimbursement for the new service he provided.
- 2/ if a private organization employee is employed and salaried from two or more private organizations, the pension contribution may be collected according to his choice from salary paid by one private organization; provided, however, that if a private organization employee is a public servant as well, the pension contribution may not be collected from a salary paid by any private organization, and the service may not be calculated for pension benefit.
- 3/ If a re-employed beneficiary was entitled to a retirement pension benefit pursuant to this Proclamation or public servant pension proclamation before the retirement age of 60, the new service that has been rendered by him shall be added to his pension benefit with the pervious service in accordance with sub-article (1) of this Article only when he attains the retirement age of 60; provided, however, that if it is ascertained by a medical board that the employee of a private organization is incapable of fulfilling service due to

employment injury or health problems and separated from service, his pension shall be re-considered starting from the next month following his separation from service

53. Obligation to Provide Evidentiary Data and Duty to Cooperate

- 1/ In accordance with the direction of the administration any private organization shall collect, compile and submit to the administration, in accordance with the form and within the time limit specified by the administration, particulars and evidences relating to each of its employees which are necessary for the implementation of this Proclamation.
- 2/ any person shall furnish written evidence or appear and testify or give his opinion when so requested by the administration for the purpose of implementing this Proclamation.
- 3/ Appropriate bodies shall have the duty to cooperate with the administration in collecting pension contributions pursuant to delegations of powers under sub-article (6) of Article 12 of this Proclamation.

54. Decision of the administration

- 1/ the fulfillment of conditions for entitlement to any kind of benefit payable in accordance with this Proclamation and the amount of the benefit shall be decided by the administration.
- 2/ the decision of the administration to be rendered in accordance with sub-article (1) of this Article shall be based on its own record, evidentiary data submitted to it in accordance with Article 53 of this Proclamation, and as may be appropriate, on additional evidences produced by the beneficiary.
- 3/ In the case of a difference between the records of the administration and evidentiary data submitted to it, the prevailing evidence shall be decided by the administration.

55. Review of Decisions

- 1/ The administration may review its previous decision upon request by an aggrieved beneficiary or on its own initiative.
- 2/ Without prejudice to the provision of Article 51 of this Proclamation, where upon review, the fund finds that there is reasonable ground for cancellation, deduction or termination of benefits, it may suspend payment to the extent the benefit is to be cancelled, deducted or terminated.
- 3/ Notwithstanding the provisions of Article 51 of this Proclamation, if the administration, upon review, has decided to deduct the benefit or the benefit paid is contrary to this

Proclamation, it shall have the power to deduct the amount paid thereof from the benefit of the beneficiary and transfer same to the Pension Fund.

56. Appeal

- 1/ A beneficiary who is aggrieved by the decision of the administration made pursuant to Article 54 or Article 55 of this Proclamation shall have the right to lodge an appeal to the Social Security Appeal Tribunal established by public servant pension proclamation No-----.
- 2/ Article -----the Public Servants Pension Proclamation No----- shall be applicable to employees of private organizations lodging appeals pursuant to sub-article (1) of this Article.

57. Tax Exemption

No tax shall be payable on benefits received, pension contribution collected and profits earned from investment of the Pension Fund, in accordance with this Proclamation.

58. Transitory Provisions

- 1/ Previous laws and directives shall remain applicable to legal situations created before the coming into force of this Proclamation.
- 2/ Until the administration issues the schedule referred to in Article 29 of this Proclamation to determine the degrees of incapacity, the practices followed by medical boards shall remain applicable.

59. Power to Issue Regulation and Directive

- 1/ The Council of Ministers may issue regulations necessary for the implementation of this Proclamation.
- 2/ The administration may issue directives necessary for the implementation of this Proclamation and regulations issued pursuant to sub-article (1) of this Article.

60. Penalty

Whosoever is unwilling to submit evidentiary document under his possession or obstructs the implementation of this Proclamation is punishable by the relevant provision of criminal law.

61. Repealed laws

Private organization employees' pension Proclamation No 715/2011 (as amended) here by repealed and replaced by this proclamation.

62. Effective Date

This Proclamation shall enter into force up on the date of publication in the Federal Negarit
Gazeta.

Done at Addis Ababa, this ----- day of -----, 2021

SAHELEWORK ZEWDE
PRESIDENT OF THE FEDERAL
DEMOCRATIC REPUBLIC OF
ETHIOPIA