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The experience of retired civil servants in claiming their old age pension in Tanzania: A case of National Social Security Fund (NSSF) Kinondoni Branch Dar es Salaam

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Abstract

The objective of the study was to investigate the experience of retired civil servants in accessing their old age pension from National Social Security (NSSF) pension fund. The study employed qualitative research design that based on fieldwork and review of literatures related to the study. The study employed implementation theory and program theory to guide hypotheses for understanding behavior of the retired civil servants and NSSF staff in implementing the NSSF pension program in Tanzania. Indeed, life cycle theory and insurance theory were applied together to set the interview questions for understanding motives for retired civil servants utilize pension schemes.

The findings indicate that both unemployment risks and longevity risks are the key determinant for making decisions regarding buying insurance or being employed to an employer providing pension insurance. Human beings are vulnerable to risks and uncertainties with respect to income as a means of life sustenance. To contain these risks, everyone needs some form of social security guaranteed by family, community and the society as a whole. Social security programs provides an opportunity for solidarity and risk pooling in the society given that no individual can guarantee his or her own security.

The study recommends that there should be reforms in mandatory Defined Benefits schemes to include strong strategies to avert old age poverty among retired civil servants. NSSF as a pension scheme should continue increasing coverage and improving the conditions and circumstances understood as barriers to enjoying life as pensioners served by the facility. There is need to strengthen our institutions, fight against corruption and mismanagement of funds contributed from hard earned money

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"It is my prayer that may the Lord our Savior bless them all accordingly"

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List of abbreviations and acronyms

COSTECH	The Tanzania Commission for Science and Technology
GEPF	Government Employee Pension Fund
HiOA	Oslo and Akershus University College
LAPF	Local Authority Pension Fund
MIS	Masters in International Social Welfare and Health Policy
NSSF	National Social Security Fund
PPF	Private Parastatal Fund
PSPF	Public Sector Pension Fund
TSH	Tanzania Shilling
URT	The United Republic of Tanzania

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CHAPTER ONE
INTRODUCTION

1.1 Introduction

This chapter introduces the study about the experiences of retired civil servants in claiming their old age pension from the National Social Security Fund (NSSF) in Tanzania. It starts with background information and statement of the problem that provides an insight and focus to the problem under study. General objectives, specific objectives and research questions are also presented. Furthermore, significance of the study is also highlighted in this chapter.

1.2 Background of the study

The history of social security in Tanzania is traced back even before independence. Numerous policy statements have been made and Acts passed in respect of trying to safeguard the population against different emergencies/shocks that has been emerging during that time such as work injury, loss of employment and old age. Here are a few examples of Acts that were implemented; the Master and Native Ordinance Cap. 78 as amended by Cap. 371, Provident Fund (Government Employees) Ordinance Cap. 51, Provident Fund (Local Authorities) Ordinance Cap. 53 and the Workmen's Compensation Ordinance Cap.262 (URT 2003)

After 1961, the moment when Tanzania got her independence, new legislations were enacted and others amended in order to safeguard and protect citizens from different contingencies and emergencies based on different benefits from different schemes (URT 2003). The Severance Allowance Act No.57 of 1962, the National Provident Fund Act No. 36 of 1964 amended by Act No. 2 of 1975, which was later, repealed and replaced by the National Social Security Fund Act No. 28 of 1997; the Parastatal Pensions Act No. 14 of 1978, the Public Service Retirement Benefits Act of 1999, the National Health Insurance Fund Act No. 8 of 1999 and Local Authorities Provident Fund Act. No. 6 of 2000 was among some of the new legislations, which was enacted and amended during that time (URT 2003).

The formal social security system in Tanzania are organized according to three major principles; Social assistance (Tier one), funded by tax payers to cover individual or community crisis, Social insurance (Tier two), mandatory Social Security Schemes, whereby both an employer and subsequent employee pay contributions basing on calculation made in relation to salary of the employee and the pension scheme. Supplementary Social Security Schemes (Tier three), this is done through voluntary contributions from members where people voluntarily save for their retirement benefit, working capital and insure themselves against events such as disability and loss of income as well as meeting other social needs (URT 2003; NSSF 2015).

Currently, Tanzania has six major formal institutions that provide social security protection to its citizens when facing different social contingencies or during emergencies. These are National Social Security Fund (NSSF), the Public Service Pension Fund (PSPF), Parastatal Pension Fund (PPF), the Local Authorities Provident Fund (LAPF), the National Health Insurance Fund (NHIF) and the Government Employees Provident Fund (GEPF) (Mchomvu et. al, 2002). The National Social Security Fund (NSSF) was established by the Act of Parliament No. 28 of 1997 to substitute the former National Provident Fund (NPF) established by Parliament Act No 36 of 1964 amended by Act No2 of 1975 (URT, 1998; URT, 1998; NSSF, 2015).

NSSF is one among the formal social security mechanism in Tanzania. It is a scheme which offers different benefits like retirement pension, invalidity pension, survivors' pension, funeral grant, maternity benefit, employment injury benefit and health insurance to its members (NSSF, 2015). This scheme is operated on contributions from its members and it contains different members within different regions. The scheme covers employers and employees from public sector, private sector, and self-employed or any other employed person who are not covered by any other scheme (NSSF, 2015).

In order for this scheme to operate, it possesses different five main activities which are as follows; registering NSSF members both employers and employees, collecting contributions from registered employers, investment of the funds collected in viable ventures, payment of benefits to qualifying members and advising Government on matters related to social security (URT, 1998). Therefore, National Social Security Fund focus in preventing and protecting individuals, groups, families and communities against various kinds of social risks or contingencies or any emergencies like employment injury, health related issues, old age, natural and man–made disaster.

In Tanzania, the official retirement age is 60 years (Ministry of Planning, Economy and Empowerment 2006). It is obvious that not all people aged 60 years are unable to work, and at the same time not all people younger than 60 years are able to work (HelpAge International, 2014). Being ‘old aged’ is therefore not always the same as being 60 years of age. In Tanzania, retirement benefits are paid in two forms: as a lump sum (commuted pension) and a monthly pension. For a person to be eligible for pension and lump sum he/she must attain statutory retirement age (60 years compulsory, 55-59 voluntary) and make at least minimum number of monthly contributions 180 contributions (15 years) (NSSF, 2015).

1.3 Statement of the problem

Less than five percent of labor force in Tanzania is covered by social security schemes especially on old age pensions. Still, there are a number of complains voiced from this population. The experience shows that in Tanzania regardless of the pension scheme, the beneficiaries suffer similar pains including challenges they face in the time of claiming their old age benefits. In this way, it is believed that the old age pension schemes do not meet its objective of maintaining the welfare of the retired civil servants.

What kind of challenges do they face and with what consequences? The study therefore, sought to explore the life experiences of the retired civil servants as beneficiaries of old age pension scheme of National Social Security Fund (NSSF) at Kinondoni Municipal, Dar es Salaam, Tanzania. NSSF is a contributory scheme designed under defined benefits systems; the benefit offered is well defined in the NSSF Act No. 28 of 1997. The scheme is financed through members’ contributions at the rate of 20% of employees’ gross salary. (NSSF, 2015)

1.4 Motivation for the Study

Five years ago, I managed to interact with one of the old aged person who is a retired person from one of the public office in Dar es Salaam, Tanzania. Our conversation was based on the old age benefit that a person has to receive from his or her membership scheme as an entitled person after meeting the eligible age between 55years to 60 years. He was a member of one of the social security schemes in Tanzania. He told me a very touching story in which he was complaining about his old age pension that he was supposed to receive in the previous five years. According to his narration of the event, he reiterated that the authorities or the staff informed him that he had withdrawn his benefits two years ago. However, this was not true according to him. He could not follow up this case since he had limited knowledge and resources to do so.

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He further told me about the situation that he experienced/witnessed at NSSF Headquarter office where he meet other retired civil servant whom were also claiming for their pensions for some years and ending up without any results. He mentioned that a large percent of those retired civil servant were depending on that pension for their survival that resulted them to suffer in finding other means so as to cope with the situation. That is what motivated me in choosing this study after realizing that most of retired civil servants who are the member of any social security scheme have different experiences in claiming their old age pension.

1.5 Research objective

The overarching goal of this research is to investigate the experience of retired civil servants in claiming their old age pension from NSSF pension fund.

1.5.1 Specific Objectives

- To explore the knowledge and awareness of the retired civil servants in the whole process of claiming their old age pension from National Social Security Fund (NSSF).
- To explore measures taken by NSSF as social security provider in Tanzania in addressing challenges faced by retired civil servants in claiming pension benefits

1.6 Research Questions

The research questions for this study were twofold;

- What is known of the retired civil servants in the whole process of claiming their old age pension from National Social Security Fund (NSSF)? (Which problems in the NSSF pension scheme do pensioners perceive?)

- How does NSSF as social security provider in Tanzania address challenges faced by retired civil servants in claiming pension benefits? (Which problems in the NSSF pension scheme do administrators perceive?)

1.7 Limitations of the study

In discussing limitation of the study, the consideration was how validity limits presentation of the findings. According to Bryman (2012:171), validity “refers to the issue of whether an indicator (or set of indicators) that is devised to gauge concepts really measures that concept”, whereby in this study, the concept that is to be researched involves the experiences of retired civil servants in claiming their old age pension from the National Social Security Fund (NSSF) in Tanzania. Validity is concerned with the integrity of the conclusions that are generated from a piece of research. In this study, findings based on subjective experiences of retired civil servants claiming or have claimed their old age pension from NSSF.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter presents literature review related to experiences of retired civil servants in claiming their old age benefits. The review is conceptualised under the objectives of the study that focuses mainly on bringing out what is known as old age pension systems or benefits in Tanzania. The review focuses on the challenges existed in pension system in Tanzania, the current state of old age pension in the country and the way NSSF as a pension scheme organise and coordinate pension benefits. The chapter starts by presenting the key concepts used in this study and ends with the theoretical framework governing the study.

2.*2* Definition of the key concepts

Retired civil servant

A person who was formally an employee or worker for public sector but now is no longer working there due to the fact that he or she has reached the retirement age. In Tanzania, for a person to be called retired (pensioner) he or she must reach the age of between 55 years to 59 years as a voluntary retirement age or otherwise 60 years which is a compulsory retirement age for the civil servant to retire.

Life experience

It can be understood as a skill or field of knowledge acquired by an individual when he or she is associated with a certain environment during his or her livelihood. The skills or knowledge are actual practice and which, apparently, has resulted in superior understanding in relation to a certain phenomenon.

Old age pension

In this study, old age pension means money paid under given conditions to a person following retirement or to surviving dependants.

2.3 Challenges existed in pension system in Tanzania.

The reviewed literature indicates that, challenges related to access of old age pension benefits in Tanzania has existed since its inception (Mchomvu, Tungaraza and Maghimbi 2002). In the attempt to understand what information is available in relation to these challenges, I reviewed a study about the *origin and development of modern social security from pre-colonial period up to 1983* conducted by Bossert (1987). Also *Social Security Systems in Tanzania* conducted by Mchomvu, Tungaraza and Maghimbi in 2002.

Bossert (1987) indicated that formal social security in Tanzania is rooted back to the period of colonial penetration, first, by the Germans (1885-1918) and then by the British (1918-1961), when a new political system was established alongside with the introduction of plantations and the imposition of a hut tax which forced the African people either to migrate into various economic enterprises or to participate in cash crop production.

It was during this period that some social security measures were introduced, such as pensions schemes, compensation payments to workers injured while performing their duties, the distribution of food to the rural population during years of poor harvest and the provision of health services and education for serving colonial government officials, thus forming some elements of the present formal social security system (Mchomvu, Tungaraza and Maghimbi 2002).

Indeed, the literature indicates that formal social security in Tanzania was initiated by the colonial administration and not the result of pressure from African political leaders and workers. These measures were initiated in the medical field, followed by old age pension schemes and, later, by workmen's compensation schemes. From Independence in 1961 up to the late 1980s, the post-colonial State pursued policies that led to political, economic and social changes in the country (Mchomvu, Tungaraza and Maghimbi 2002).

According to Bossert (1987), these changes had both negative and positive impacts on the development of formal social security schemes. There was rapid development of health facilities in the rural areas and the expansion of education, family allowances and the subsidization of meal were established together with many other new social security schemes. After Independence urban-based public health services were put in place. Also after the

Arusha Declaration in 1967 the development of social security was characterized by the expansion of rural health, the provision of family allowances and tax relief from 1980 for employed couples, the continuation of payment of salaries at times of illness (1972) and paid maternity leave (1975).

Number of problems in social security system Tanzania started during the period of structural adjustment policies and globalization during mid 1980s. Among these was the loss of members from the social security schemes such as the Parastatal Pension Fund and the National Social Security Fund because of retrenchment. This has led to the drain on the resources of the social security schemes due to the payment of benefits to thousands of workers who were withdrawn prematurely (Mchomvu, Tungaraza and Maghimbi 2002).

Another problem was the devaluation of the Tanzanian Shilling, as a result of structural adjustment. It caused a serious erosion of the commercial assets and solvency of social security schemes. Social security schemes in this period tended to develop in an *ad-hoc* manner in response to specific needs or pressures rather than in accordance with any long-term national strategy. The result has been disparities in provision, the duplication of administration and a failure to relate scarce resources to national priorities (Mchomvu, Tungaraza and Maghimbi 2002; Tungaraza 1994).

According to Mchomvu, Tungaraza and Maghimbi (2002), formal social security schemes covered very few people and the benefits paid were inadequate. Schemes were characterized by delays in making payments to members, bureaucracy, inefficiency and poor governance. They were usually monopolistic and workers were forced by law to join, with no choice between schemes. Indeed, social security schemes were found to be inflexible and do not provide a forum for members to have a say in the way their contributions are invested.

There was no possibility of portability of members' benefits from one scheme to another (Mchomvu, Tungaraza and Maghimbi 2002). Portability is an opportunity that a member who loses job after starting vesting with the first employer can transfer his or her vesting status to new employer (World Bank, 1994). Other identified challenges included non-systematic and comprehensive national social security policy that governed all social security programmes and activities in the country. Social protection was still regarded not as a right of all citizens but as a privilege (Tungaraza 1994; Mwaikambo 2013).

The study conducted by Mwaikambo (2013) identified some challenges that still appear in Social Security Policy Law (Amendments) Act of 2012. The Act introduced a section which nullified the withdraw benefit that members used to claim after terminating their contract with a particular scheme. The section requires a member to qualify for benefit after attainment of fifty-five years. But before these amendments, withdraw benefits were possible where a member at any age had a freedom to claim his or her benefits without any restrictions after terminating his or her contract with the scheme (URT 1998). The study found that the act which nullified the withdraw benefit was not accepted by the majority members of schemes (Mwaikambo 2013).

This happened soon after the Social Security Policy Law (Amendments) Act of 2012 being discussed and accepted by the members of Parliament. Besides, the transfer of membership from one fund to the other without jeopardising the member's wealth was still not possible (ibid). Government employees on permanent and pensionable were by law required to be members of PSPF, Members of Parastatal were supposed to be with PPF, Local authority worker with LAPF and the rest with NSSF. Members changing employment from government to private sector was supposed to end membership with PSPF and join with other Funds. All these challenges continue to be part of problems faced by pensioners in Tanzania.

The Public Service Pensions Fund was established under section 4 of the Public Service Retirement Benefits Act No. 2 of 1999, to provide for contributions to and payment of pensions, gratuities and other benefits in respect of the Service of officers in the Government and to provide for the related matters (Mchomvu, Tungaraza and Maghimbi 2002; Mwaikambo 2013). Section 2 of the Act further states that the Act applies to all Government employees employed in Tanzania as well as employees employed by Executive Agencies established under an Act of Parliament (Mwaikambo 2013).

On 1st July 2014 the government of Tanzania adopted harmonisation rules to govern all social security programs and activities in the country. The harmonisation resulted into the reform of the new benefit formula to be applied to all existing social security funds. The new benefit formula resulted in formation of new parameters for calculating benefits. According to World Bank report (2014) the adopted formula will effect pension calculations across all pension funds in the country. On the side of NSSF, the new formula was expected to increase lump-sum payment and lower monthly payments to both new and old members of the NSSF pension fund.

2.4 The current state of Old Age Pension benefits in Tanzania.

In 2003, Ginneken argued that social security schemes were introduced with the aim of providing social security to people when faced with different emergencies and lifetime contingencies. This included improving the wellbeing access to basic needs of retired civil servants at the time of old age (Ginneken, 2003: 13). This lead to different countries in the world and in different timeline embarked in establishing social security schemes including old age pension (Halvorsen and Stjerno 2008; Tungaraza 1994).

Social Security is an important aspect of social policy due to social policy's concern with the analysis of resource distribution and delivery in response to social need (Perez-Baltodano 2004; Musenya 2014). It essentially enables access to services that fulfil basic needs including food, water and shelter for individuals in society (Tungaraza 1994). It is through the discipline of social policy that the study on ways that society provides for its members social needs through the structures and systems of distribution, redistribution, regulation and empowerment provision are established. For retirees, Pension systems are a major source of Social Security (Perez-Baltodano 2004).

Tanzania is not an exception from the many other developing countries that struggle with the pressures that are exerted upon a pension system in a context characterized by a growing population and externally influenced policies like Structural Adjustment Programs (Mchomvu, Tungaraza and Maghimbi 2002). Pension reforms have seen to the change in Pension system operations that overtime has been influenced by political ideology and economic condition.

2.4.1 The right to social security systems.

The right to social security for all citizens is stipulated in the Constitution of the United Republic of Tanzania of 1977 as amended in 1984, 1995 and 1998Act No.15 Art.6. Some of these rights include the right to social welfare at times of old age, sickness or disability and in other cases of incapacity (Mchomvu, Tungaraza and Maghimbi 2002; LHRC, 2011). Studies indicate that, both developed and developing countries in the world once upon a time had strong informal and traditional social security systems built on family and or community support (World Bank, 1994 ; Halvorsen & Stjerno, 2008; URT, 2003; Musenya, 2014; Tungaraza, 1994).

Informal social security system refers to "any institutionalized arrangements that gears towards protecting its members or member group from risks, hazards and insecurities" (Gsanger, 1992; In Tungaraza 1994). In times of difficulties such as famine, diseases, and old age, individuals depend on family, clan members and members of the community for assistance in the form of cash or in kind (Mchomvu, Tungaraza and Maghimbi 2002). The traditional social security systems were governed by two main principles: reciprocity and redistribution (Tungaraza 1994). Reciprocity involved transactions of goods and services among social network members, and social obligations among the network members. In most cases, kinship members were the foundation of the transaction.

On the other hand, redistributing involved the pooling of resources that were then given to members of the kinship organization who were in need for one reason or another. This was intended to ensure that nobody starved or went without certain basic needs (Tungaraza 1994). While it is recognized that over time, traditional social security system has tended to decay and change forms in response to the forces of urbanization and globalization, there is evidence showing that informal social system re-emerged in Tanzanian (Mchomvu, Tungaraza, & Maghimbi, 2002). Literature shows that family and community social support system have remained as means of social security within different social groups (Tungaraza 1994). Traditionally most of the Tanzanians practiced an informal and traditional social security systems built on family and/or community support (Mchomvu, Tungaraza, & Maghimbi, 2002; HelpAge International, 2014)

Overtime, socio-economic reforms have slowly resulted in disintegration of the family-based social security protection leading to the formation of self-help groupings, which are known as Credit and Saving Societies such as UPATU, UMASIDA and VIBINDO (Narayan, 1997). Because of the social-cultural and economic changes continuing to take place in the country, formal social security was inevitable. Formal social security system such as National Social Security Fund (NSSF) covers a wider variety of public and private measures meant to provide benefits in the event of the individuals' earning power permanently ceasing, being interrupted, never developing and being unable to avoid poverty.

The major domains of social security are: poverty prevention, poverty alleviation, social compensation and income distribution. Many issues relating to social security are sensitive, as they touch on the material interests of organized workers and the unorganized poor, as well as insurance industry and employer organizations (URT, 2003). In 2002, Mchomvu, Tungaraza and Maghimbi indicated that every human being is vulnerable to risks and uncertainties with respect to income as a means of life sustenance. To contain these risks, everyone needs some form of social security guaranteed by the family, community and the society as a whole. Such socioeconomic risks and uncertainties in human life form the basis for the need of social security.

In Kinondoni Municipal, the experience shows that NSSF is very important to retired civil servants since it can help them when facing elder's diseases and other contingencies. The majority of people become old with poor health due to poor life styles and poor nutrition during their childhood; women due to heavy work load, and frequent pregnancies (URT, 2003). Prolonged diseases are a common feature among many older people. Due to that, social security funds can help them when they face health problems, it can help them in saving and participate in income generating activities in order to raise family income (Narayan, 1997).

2.4.2 Benchmarks for claiming pension benefits in Tanzania.

The eligibility for claiming benefits and the parameter of the current pension system in Tanzania differs among the pension schemes in the country. It is argued that /prevalence of variations is one of the challenges facing pension scheme systems (Mwaikambo, 2013). Table 1 shows the variations on these schemes in relation to membership, ratio of contribution, types of benefits provided, retirement age and the vesting period

Table 1; Variations of Parameters of Pension Schemes in Tanzania

Provision	NSSF	PSPF	PPF	LAPF	GEPF
Membership	-Private sector - Government employees and others	Central government	- Parastatals - Companies with Government's shares - Private sector	- Local Government and others	- Government Employees and others
Contributions (employee/employer)	10%/10%	5%/15%	- 5%/15% (Parastatals) - 10%/10% (private sector)	-5%/15% (local government) - 10%/10% (private sector)	10%/10%
Types of benefits	-Oldage (retirement) - Invalidity - Survivorship -Medical (insurance) - Funeral grant - Maternity - Withdrawal	- Old age (retirement) - Invalidity - Survivorship - Withdrawal	- Old age (retirement) - Invalidity - Survivorship - Withdrawal - Defined contribution scheme (lump sum)	- Old age (retirement) - Invalidity -Survivorship -Funeral grant - Maternity, marriage, other unemployment - Withdrawal	- Old age (retirement) - Invalidity Survivorship
Retirement age	60; min 55	60; min 55	60; min 55	60; min 55	60
Vesting period (in years)	15	15	10	15	15

Source: Modified from World Bank, 2014

Vesting period

This is the minimum number of years a person must be a member of the scheme to receive full or partial pension benefits (World Bank, 1994). As shown in table 1, all pension schemes in Tanzania has established the same (15 years) minimum vesting period for calculating full benefits. For example if an employee was employed at the age of 25 and he had retired at the age of 60, here the vesting period will be 60-25= 35 years. The ILO Social Security convention Number 102 of 1952 (Minimum Standards Convention) stipulates a maximum qualifying period of 30 years of contributions. However, under the NSSF the qualifying period has been set at 15 years or 180 months (NSSF 2015).

According to Social Security Regulatory Authority (SSSRA) of Tanzania, the vesting period is used to calculate full benefits. Employees leaving early their employment contracts before the minimum age of 15 years receives lump sum amount, which includes only contributions made by the employer and the employee (URT, 2014). In Tanzania, employees terminating their contracts before the minimum vesting period are not eligible for pension benefits but can take withdraw lump sum when leaving their employment. The discussion taking place in Tanzania by the government and other stakeholders of social security is whether employees who terminate employment before attaining retirement age or 15 years vesting period should collect their contributions as cash or to “on hold” payments until the employee reach the retirement age of 60 years (URT, 2014; NSSF, 2015).

Currently employees of such category are allowed to take out cash in lump sum right away way after terminating their contract. But those who oppose this are arguing that pension contributions are meant to support people during their old age, therefore allowing partial benefits (or withdraw benefit as popularly known in Tanzania) limits the purpose embedded in establishment of these schemes. The SSSRA recommends that all pension schemes operating in Tanzania be mandated to adhere to indexation formula in order to accommodate issues of inflation that may erode the future benefits of the employee with deferred pension rights. Section 12 of the Pension Scheme Harmonisation Rule of 2014states that “ all Defined Benefit Mandatory schemes applying the new benefit pension formula in calculation pension benefits for members may adjust benefits from time to time after conducting actual evaluation” (URT, 2014: 06)

Types of benefits

This is what social security schemes offer to their members. NSSF offers seven benefits (NSSF 2015), compared to nine types of benefits suggested by the ILO Social Security Convention number 102 of 1952 (Overbye 2005). The next is LAPF which offers six benefits, PPF offers five benefits, PSPF offers four kinds of benefits and the last is the GEPF which offers only three benefits as indicated in table 1. This indicates that NSSF as a national socal security fund has wider coverage in terms of benefits provided compared to other schemes in Tanzania.

Retirement age

The legal age at which the Tanzania government lay off its civil servants is 60 years But an employee can opt to retire early as he or she turns the age of 55. In Tanzania all five social security schemes had the same experience in retirement age as shown in table 1 above.

Withdraw benefit

Pre-mature pension benefits are benefits withdrawn/claimed by a member after terminating an employment contract before reaching the legal retirement age of 55 years (voluntary) or compulsory at the age of 60.

Contribution Ratio (employer/employee)

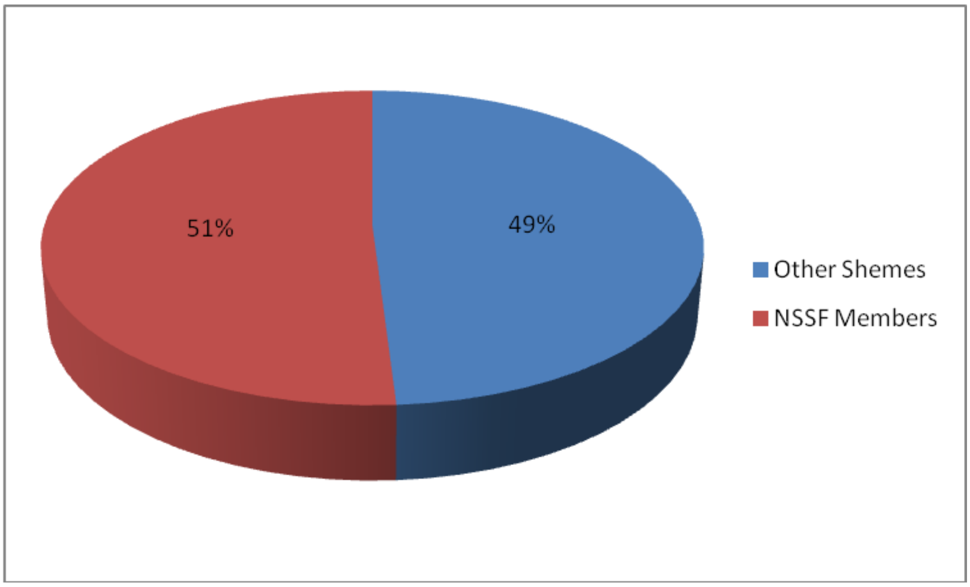
The payments in each month (in percentage) calculated from the basic salary of the pensioner. In Tanzania total contributions is set to be 20% contributed by the employer and the employee. At NSSF both the employer and employee contribute equally that is 10% from each.

2.5 The NSSF Pension Scheme.

NSSF is a contributory scheme designed under defined benefits systems. The scheme was established by the Act of Parliament No. 28 of 1997 to replace the defunct National Provident Fund (NSSF 2015). The fund is a compulsory scheme providing a wider range of benefits, which are based on the internationally accepted standards (ibid). The scheme covers various categories of employers and employees ranging from private sector, government ministries and departments, parastatal organisations, self-employed and/or any other employed person not covered by any other scheme.

From private sector the scheme currently includes members from companies, Non governmental organisations, Embassies employing Tanzanians, International organisations and organised groups in the informal sector. This has made NSSF to have wide coverage or wider social security market share in the country compared to other schemes (NSSF, 2015) as shown in figure 1 below. According to the current records, NSSF comprises 51% of the total social security market share and other schemes covers 49% of the market share all together (Ibid).

Figure 1: Social security market share in Tanzania



Source, NSSF 2015

2.5.1 What NSSF is doing as a pension scheme

The core functions of the scheme include registration of members, collections of contributions, investment and provision of benefits (NSSF, 2015). Under the benefits function, the scheme provides number of benefits in varying conditions to its members. These includes; Old age Pension, Invalidity Pension, Survivor's Pension, Maternity Benefits (MB), Funeral Grant (FG), Employment Injury benefit (EIB), and Social Health Insurance Benefit (SHIB). This means that NSSF as a pension scheme has managed to provide cover for seven different social risk areas. ILO Social Security (Minimum Standards) Convention of 1952 No. 102 identifies nine (9) social risk areas with corresponding demands for social security.

Covering seven social risk areas among nine suggested by the ILO social security convention makes NSSF have wide coverage than any other pension scheme in Tanzania. This was one of the justifications why I decided to choose NSSF as case study. My interest also was to get an insight as to how the scheme manages to make its operations with regard to benefits provided. Apart from the seven coverage identified above, currently NSSF has launched other three benefits; Welfare Scheme for Tanzanians in Diaspora (WESTAD), Loan to members through SACCOS and Withdraw Benefit under Provident Scheme (NSSF 2015). Thus in NSSF is one of the leading social security (insurance) schemes in Tanzania currently.

2.5.2 Statutory Registration of Employers and Members.

According to Social Security Policy of Tanzania (URT, 2003) and National Social Security guidelines (NSSF, 2015) all employers deciding to work with the scheme are required to register with the scheme immediately after setting up an establishment. Registration is completed by filling forms NSSF/R.3A which are available in all NSSF offices throughout Tanzania (NSSF, 2015). Furthermore, all employers registered with the scheme are required to register all their employees (statutory members) with NSSF by attaching two passport-size photographs and completing form NSSF/R.3A. Apart from statutory members the scheme indeed registers voluntary members. A voluntary member is any person, including the insured employee, employed by a contributing employer, may register with the fund and make regular contributions on his or her own behalf basing on his or her own salary (ibid).

In Tanzania, voluntary members include people working in both formal sector and informal sector. Those from formal sector are those already with statutory membership (let say a statutory member at NSSF) but wish to join again with another scheme. In the second arrangement the employer is not involved and a member must cover all the contributions himself or herself. The amount to contribute each month is discussed depending on how much a member is able to contribute. The minimum contribution is Tsh. 20,000 per month calculated as 20% of minimum income for calculating pensions contributions for those with unregistered salary in Tanzania (NSSF, 2015)

2.5.3 How retired civil servants benefit from NSSF pension scheme

The scheme provides two kinds of old age retirement benefits for member who meets the minimum requirements. This includes initial lump sum; the amount paid to the pensioner before starting his or her pension, which is equal to 25% of the calculated annual pension times 12.5. Monthly pension is the amount paid by NSSF to the pensioner which is calculated from the remaining 75% distributed into 12 months (1/12), where the pensioner receives the same amount until death (NSSF 2015).

Initial lump sum formula

$$\left[1/580 \times N \times APE\right] \times 12.5 \times 25\%$$

Where:-

1/580 =Accrual Factor per Month.

N =Number of contributions or months (credits i.e. the number of months the retired civil servant has contributed)

APE =Average Pensionable Emoluments (Average annual salary of the best three years out of the best last 10 years of contribution)

12.5 =Commutation factor (emanates from the assumption that if a civil servant retires today he/she will live for the next 12.5 years)

25% =Commutation rate

Monthly Pension Formula

$$\left[1/580 \times N \times APE\right] \times 75\% \times 1/12$$

Where:-

N =Number of contributions (credits i.e. the number of months he or she has contributed during working period)

APE =Average Pensionable Emolument, which is calculated using the best 3 years of contribution out of the last 10 years of contribution.

75% = Commutation rate

1/12 = Monthly Pension Factor

1/580 = Accrual Factor per Month

Initial lump sum is paid immediately before starting pension (annuity), which is equal to 25% of the calculated annual pension times 12.5.

2.6 Old Age Pension in other Countries.

The reviewed literature indicates that, some countries in Africa for example Zambia, retirement age ranges between 55 and 60 (Mwaikambo, 2013; Musenya 2014). It was revealed that the vesting period to qualify for a pension was quite high, up to 20 years (where in Tanzania is 15 years). Therefore, in Zambian pension system failure to reach this benchmark supposed that the contributors could get back only his or her nominal contribution (ibid). Meeting the standards was a challenge to some of the retired employee since they worked below the minimum number of years for calculating full pension (Musenya 2014)

In USA, two factors determine the amount of retirement benefits. The first one is the earnings record; how much the retired has earned over his or her working life. This means that the higher the earnings the higher the benefits. The second factor is the age at which the person claims his or her benefits. The full retirement age in USA is 65 years, but a person is allowed to claim benefits as early as 62, with the understanding that earlier claims will permanently lower the benefits (Feldstein and Jeffrey, 2002).

In Norway, the earliest old age pension schemes introduced income municipalities at the end of nineteenth century (Halvorsen and Stjerno 2008). A nationwide old age pension scheme passed through parliament in 1923 and started its implementation in 1936 (Halvorsen and Stjerno 2008). Study further indicates that before the old age pension existed, old people lived on their assets and savings or were supported by their families. Persons without families depended on charity, the church and on the public poor relief in parish (later in municipalities).

The present system in Norway is that all residents or people working in Norway on permanent or temporary on the Norwegian continental shelf are compulsorily covered under the National Insurance Scheme (Halvorsen and Stjerno 2008). Persons covered under the National Insurance Scheme are entitled to old age, survivor's and disability pensions, benefits to single parents, cash benefits in case of sickness, maternity, adoption, unemployment, medical benefits in case of sickness and funeral grants just to mention (Ibid).

2.7 Theoretical Perspectives

Two sets of theoretical framework were applied in the study. The first set included theories of why people are in demand of pensions. Here the life-cycle theory and the insurance theory were applied. Life cycle theory and insurance theory was considered relevant in the study because the two constitute important factors which helps to explain the motivation for human behavior such as saving, buying insurance and consumption in their life (Overbye 2005). Indeed, insurance theory helps to explain how people deal with different life risks including longevity risks. The second set involved theories about how employers and administrators on one hand and their service users or clients on the other hand are assumed to behave in order for the pension system or program to operate adequately.

2.7. 1 Theories of why people are in demand of pension

Life-cycle theory

The life-cycle theory presupposes that consumption is smoothed, Individuals will save in order to transfer purchasing power to the period of retirement (Modiglian, Kotlikoff, & Hogarth, 1981). According to this theory, in life an individual passes through three phases, which at the end of the day mark as a cycle. There is a time when an individual works and if possible saves for future use, and there is a time when an individual spends from previous savings such as pensions during retirement (Jappeli, 2005). Retirement benefits are intended to safeguard pensioners against lack of income during their sunset years. The amount of benefits at retirement depends on many factors such as income, composition of households and age (Paralta, 2010). Modigliani (1999) further considers savings as one of the most important pillars of the economy.

In countries where there are no jurisdictions on preservation of retirement funds, benefits are withdrawn at retirement age (Modiglian, Kotlikoff, & Hogarth, 1981). According to Jappelli, the main drive for saving is to build up resources to be used during retirement (Jappelli, 2005). In the same vein, Paralta (2010) argues that there is no certainty that the income after retirement age will be sufficient to maintain the desired level of consumption. Individuals save a portion of their income in order to increase the allocation of wealth available when they retire.

According to Modiglian, Kotlikoff, & Hogarth (1981), the life cycle theory is a useful framework of studying and understanding the link between ageing, consumption and saving. The main result obtained from this framework is that the consumption is smoothed and individuals will save in order to transfer purchasing power to the period of retirement (Feldstein and Jeffrey, 2002). Again, the life cycle approach in its simplest version implies that financial life of individuals occur in three phases after starting a professional activity.

At first phase, each person earns has insufficient income to cover their needs. Therefore, they become indebted in order to finance their needs of durable goods, houses and education of their children. Also it can be explained as at first phase, people borrow (if they have the possibility) to take some degree of education. In this way they build up their human capital for taking professional activity. In a second phase, they work and earn an income, and then pay off their debts, and begin a process of accumulation of wealth to be able to finance their retirement period. The process of wealth accumulation can take many forms including bank deposits, contributing to a pension scheme, buying more houses, buying more livestock etc

In a third phase, they use up what they had saved during working time. Work on precautionary saving, has shown that people with uncertain future earnings who are sufficiently prudent will never borrow, if there is the possibility, however remote, that they will not earn enough to be able to repay their debts (Caroll& Kimball, 2006). Justifiably, wealth is build up during working years in order to finance consumption during retirement period in the life cycle theory.

Taking into consideration other motives that may impact the life cycle theory, there are risks of accidents during active life (illness, unemployment, death, etc.), which require precautionary savings or specific insurance policies, including unemployment benefits of public welfare. Secondly, longevity risk (as discussed under insurance theory below) associated with the number of years in retirement can result in an undesired level of consumption. Last but not the least; political risk related to changes in the regulations regarding pensions, for instance, early access of retirement funds may cause uncertainty.

The life cycle theory holds that saving or making investments are very crucial at one point in lifetime. The theory was relevant in this study in the sense that, the study focused to investigate what is experienced by retired civil servants after they have retired from work and make life by using pensions from NSSF. According to this theory, ageing, consumption and saving are three aspects in life, which relate to each other.

Ageing is a biological, psychological and social process, which everyone reaches if no unfortunate life circumstances interfere. At some stage the individual will be forced to stop working to earn an income but will continue consuming whether based on his prior earnings or from other sources (HelpAge International 2014). This theoretical framework provides a set of hypotheses about behaviours, and guided the questions I posed to retired civil servants during the interviews. Life cycle theory can be perceived as a hypothesis-generating device. It can be used as a starting point when interviewing respondents about their actual thinking and behaviour.

Insurance Theory

Insurance theory holds that if a person does not know how long he or she is going to live, then automatically he or she does not know how much they need to save during their active years, in order to have an adequate retirement income in the years after they retire (Overbye 2005). Both the life-cycle theory and the insurance theory suggest the importance of saving in the middle period with its focus on income smoothing over the life cycle. But focusing on saving alone does not safeguard pensioners against the risk that maybe they under-estimate the number of years he will live after retire. And if they underestimate their life span, risk ending up in extreme poverty the last years of their life (Barr 1992). Pension Insurance is designed to protect the financial well being of an individual in the case of unexpected longevity (Overbye 2005).

According to insurance theory, people are motivated to buy insurance (or to seek employment with employers that offers insurance as part of the overall wage package) because they want safety against various risks. With regard to old age pensions, people are assumed to be motivated to join such systems (or seek employment among employers who offer such insurance) due to a desire to be insured against longevity risk. That is, they want to be insured against the risk that their private funds will dry up before they die. Basing on this motive, the Tanzanian civil servant pension scheme insures against longevity risk. The pension system pays lump sum soon at retirement and there after retirement the retired person continues receive annuity payments (monthly payments) until death.

Since NSSF pays out an annuity without a time limit, then I thought that one of the motives for retired civil servants involved in this study was to be insured against longevity risk. Another motive associated with insurance theory is age-related unemployment or disability risks. NSSF as national social security pension scheme in the country has adopted invalidity pensions and employment injury benefits provided to individuals who have lost at least 2/3 of their earning capacity due to physical or mental disability and to persons who sustain injury or contracts occupational diseases as a result of their employment (NSSF 2015).

Since the employer (the Tanzanian government) can legally lay off civil servants when they turn 60 years old, it can be argued that a pension system as the Tanzanian civil servants-scheme provides insurance against all these risks: The argument is that a laid-off 60 year old civil servant is likely to have difficulties finding other employment. This insurance-motivated demand for an old-age pension comes in addition to the "smoothing-life-cycle-income motivation" that forms the basis of the life cycle-theory of why people want to be members of pension schemes.

2.7.2 Theories about how administrators and service users behave in order for the scheme to operate adequately.

Implementation theory

Implementation theory is a theory about how employers and administrators are assumed to behave in order for the program to work and achieve its goals (Weiss, 1998). In this study implementation theory was applied with the assumption that it would help to explain the behaviour of NSSF staff towards adequately functioning of the pension scheme. Implementation theory also guided me in setting study hypotheses about how NSSF administrators or staffs go about administering the scheme, including possible challenges they may face in ensuring smooth implementation of the program. The theory also helped to understand challenges faced by retired civil servants as well as NSSF staff in the time of claiming and providing pension benefits.

According to (Weiss, 1998) implementation theory explains how the intervention or program transfers inputs into outputs or simply how administrators, operators and management teams assume their responsibilities for proper functioning of the programe (ibid). The theory helps to asses the roles and challenges encountered by those in direct contact with the service users. Program activities at NSSF were assumed to be divided into three categories. Those included at the start of the employment contract, during the employment period and at the termination of the employment contracts.

a) At the start of an employment contract
   - Employees (civil servants in tis case) are informed about the pension scheme when they are employed by their employer.
   - The informations includes; how pensions are calculated, what are the minimun vesting period, how future benefits will be indexed, types of pension benefits and the like.
   - Administrators answer adequetly eventual questions the new employees have about their pensions.

b) During the employment period
   - Employers pay contributions in time on behalf of their employees
   - Administrators (NSSF) register the contributions by employers on behalf of employees
   - Administrators keep track on the number and size of contributions paid in.
   - Accumulated funds are invested prudently and in order to earn positive interest.

c) At the termination of an employment contract
   - Administrators receive pension claims plus additional information from the newly retired employee or civil servant.
   - Administrators answers adequetly eventual questions the new retirees have about their pensions.
   - Administrators pay out first pension (lump sum) on time
   - Adminitators continue to pay out annuities on time until the death of the pensioner.

In this study, this implementation theory was applied in setting research questions and making interview guides, and generating information from NSSF staff. The findings are discussed in chapter five.

Program theory.

Programe theory deals with the side of the intervention/program concerned with transferring outputs into outcomes (Weiss, 1998). It is concerned with everything that happens among users or customers and other affected as a result of using, or being exposed to what the implementers (administators) are doing to them, with them or for them. If the customers (in my case retired civil servants) fail to notice, or misunderstand, disagree, react negatively, or are not in a position to act as expected by the NSSF management, the outcomes of the NSSF as a pension scheme is unlikely to meet the program expection. This theory preassumes the following activities to take place on the side of retired civil servants;

a) At the start of the employment period
   - The potential employee hears about the NSSF pension scheme and becomes interested and motivated to join.
   - The employee register with the NSSF pension scheme through their employer.

b) During the employment period
   - The employees pay their contributions on time if they are assured to contribute on behalf of themselves.

c) At the termination of the employment contract
   - New retires have their retirement contracts from their employers at hand.
   - New retirees know which papers are necessary in order to collect their pensions
   - New retirees fill in the papers adequately and give the papers to the administrators.
   - New retirees have bank accounts and other requirements that make it possible to deliver their pensions until their deaths.

In this study the program theory was used when setting research questions and making interview guides for generating information from the retired civil servant members of the

NSSF pension scheme. The findings are discussed in chapter four. Generally, the above theories informed the research hypotheses with the corresponding interview guides used in the study. The first research hypothesis focuses on the knowledge of them (retired civil servants) towards the scheme (NSSF) they have chosen for saving. The second research hypothesis focus on whether the retired civil servants have alternative or additional means of saving apart from the pension scheme (NSSF). The third hypothesis focuses on circumstances faced by both the retired civil servants and by the NSSF as a pension provider. It was my assumption that if the retired civil servant had enough information about the NSSF scheme, saved enough, and the NSSF itself if it was operated according to the prescribed rules and regulations, then if the retirees could have sufficient income to enjoy their life after retirement.

CHAPTER THREE
STUDY METHODOLOGY

3.1 Introduction

This chapter covers the research design used to study the life experiences of retired civil servants in claiming their benefits in Tanzania. The researcher gives a brief description of where the study was conducted and ends up with ethical clearance.

3.2 The study area.

The study was conducted at the NSSF office. The office is located within Kinondoni Municipality in Dar es Salaam City, Tanzania. The major economic activities in the city include trade, small-scale industrial production and service like transport, hotel, medical and civil service. The NSSF Kinondoni office was selected because for many years it has been involved in managing, coordinating and providing pension benefits. It was also thought that choice of the centre would facilitate recruitment of respondents since both staff and retired civil servants use services from the same office

3.3 Sampling technique

In attempting to answer the study questions, I used a purposive sampling technique to reach the respondents. It is non-probability sampling where the sample is selected deliberately by the researcher to fit the purpose of the study (Chamblis and Schutt 2013). The rationale for this technique was that only the retired civil servants claiming their old age pension from NSSF and NSSF officers were included in my study. The retired civil servants involved in this study were selected based on the criteria of being retired by the law, and not by the professional background of the respondent. The justification for this was that parameters used by NSSF in calculating pension benefits do not include professional background of the pensioner.

3.4 Sample Distribution

The initial plan was to interview up to 15 respondents. Among these seven (7) being NSSF staff members and eight (8) being old age pensioners. During fieldwork, I managed to conduct interview with fourteen (14) respondents. Among these, six (6) were NSSF staff and eight (8) were the retired civil servants. The purposive sampling technique, which I pursued in selecting these respondents, was the lived experience of the retirees, including the number of years served, the number of years a retired civil servant contributed, and the time retired civil servant had received pension from NSSF. On the side of the NSSF staff, only position and the number of years the staff had served in that particular position were taken into consideration. The ambition behind this was that only staff with vast experience and knowledge of working with retired civil servants should be important source for data included in the study.

Table 2: NSSF staff involved in the study

Participants ID	Position	Number of years worked with retired civil servants
P1	Customer service officer	2
P2	Benefit processing officer	3
P3	Operation officer	5
P4	Benefit processing officer	4
P5	Benefit processing officer	5
P6	Senior benefit processing officer	10

Source: researcher, 2016

For the retired civil servants, I considered two characteristics. The first was the number of years the pensioner had contributed to the scheme. The other characteristic was number of years each pensioner had been receiving pension benefits from the NSSF. The justification for paying more attention to these parameters were that the study is employed qualitative methodology. This approach seeks to find out "what people think and how they act" (Chambliss and Schutt, 2009: 22) in relation to lived experience of being members of NSSF as their redeemer from lifecycle risks and longevity risks.

Since the objective of the study was to explore the experiences of retired civil servants in claiming their old age pension from the National Social Security Fund (NSSF) in Tanzania, then I planned this qualitative study to reach the goal. A qualitative approach was relevant for exploring informants' perceptions, views, experiences or actions. Besides, qualifying for pension and other benefits from the scheme depended on whether the claimant had met the qualifications, including the number of months (credits) contributed. In this regard, I thought that considering the number of years a retired civil servant has contributed to the scheme before retirement, and the experience she or he had received benefits were important.

Table 3: Retired civil servant involved in the study.

Participants ID	Number of years contributed.	Number of years receiving pension benefits
P7	**35**	1
P8	**24**	2
P9	**35**	2
P10	**32**	2
P11	**30**	10
P12	**32**	2
P13	**28**	1
P14	**16**	2

Source: researcher, 2016

3.5 Data collection

Intensive or in-depth interviews

I used in-depth qualitative interviews with key respondents, both retired civil servants and NSSF officers. When interviewing retired civil servants the researcher focussed on understanding the amount they received in relation to their life situation, and also on how they participated in providing pension contributions to the NSSF in relation to their employment. When I was interviewing NSSF officers I was focusing on how they organised, managed, and coordinated old age pension activities to their members.

In-depth interview method was chosen because it provides the researcher with the opportunity to ask respondents open-ended questions in a relatively unstructured way (Chambliss and Schutt, 2009: 236). Furthermore, this method was considered to be a very good way of accessing people's perceptions, meanings, definitions of situations and constructions of the individual's subjective experiences (Punch, 2005: 168; Chambliss and

Schutt, 2009). It is also well suited for "seeing the social world as the research subject sees it […] and for understanding subjects' interpretations of that world'' (Chambliss and Schutt, 2009: 224). The intensive interview technique also allows the respondents to "speak in their own voices and with their own language" (Byrne, 2004: 182). The type of data that was generated through the above-mentioned technique helped to answer the research questions at hand.

3.6 Ethical Clearance

Ethical questions must always be considered when conducting a qualitative study. In conducting this study I complied with the guidelines of The National Committee for Research Ethics in the Social Sciences and Humanities (NESH 2006) that have a list of ethical issues which are important to observe when conducting a study. During interviews with my respondents I observed research ethics such as, observing respect, human dignity, integrity, freedom and participation, informed consent, confidentiality, individual privacy, as well as the interviewer- interviewee relationship as Bryman (2012:138) argues that respondents' participation in qualitative study must be voluntary and not forced or conditional.

Since I conducted my study in Tanzania, I took several steps and procedures as part of adhering to ethical considerations for doing research with the retired civil servants from NSSF. First, I obtained a clearance letter from HiOA authority (Appendix no. 2) confirming my affiliation and the purpose of fieldwork. HiOA introduced me to the Tanzania Commission for Science and Technology (COSTECH) who permitted me to conduct my fieldwork at NSSF with Research Permit no. 2015-209-NA-2015-168 (Appendix no. 3).

In addition, during interviews I obtained oral consent from all retired civil servants and NSSF staff that participated in the study. Furthermore, I was providing information about the study to all interviewee beforehand and they agreed to participate in interview. Also, I ensured each respondent's privacy by hiding their names during data transcription and writing of this report. This means that in this report the researcher used letters and numbers to identify the respondent and not the real names of retired civil servant or NSSF staff involved in the study. This was done purposely for securing confidentiality to the respondent's status.

CHAPTER FOUR

CHALLENGES PERCEVIED BY RETIRED CIVIL SERVANTS IN CLAIMING PENSIONS

4.0 Introduction

Chapter four presents' findings obtained from the first research question; what is known to the retired civil servants and the challenges they face in the whole process of claiming their old age pension from National Social Security Fund? The presentation based on information obtained from the interviews conducted from 23rd September, 2015 to 01st October, 2015 in Dar es Salaam, Tanzania while secondary data was collected through reviewing the NSSF guideline, ILO social security conventions, Tanzania social security policies and other literatures related to research objectives. Besides, processes of sorting, coding and interpreting the collected data, were informed by both research objectives and theoretical perspectives applied in the study.

4.1What is known to the retired civil servants in the whole process of claiming their old age pension from the National Social Security Fund?

One of my reasons for doing research on this policy issue was to gain an understanding on how retired civil servants they understand the whole pension system. Based on the information collected, sub themes like understanding the old age pension concept, types of benefits, requirements for receiving benefits, modes of contributions, vesting periods and how benefits were calculated were identified as part of the knowledge retired civil servants are supposed to have for smooth access to services provided by NSSF.

4.1.1 How retired civil servants understand Old age pension

The interviewed retired civil servants attempted to respond to the interview questions and to share what he or she understands about old age pension. I thought it was important to gauge the understanding of retired civil servant on old age pension since they are insiders of the system, and so they could know what pensions mean to them. The benefit was deemed insufficient by all civil servants involved in this study. They shared their reflections with regard to the amount of pension received. They reflected on to what extent the amount helped them to overcome household needs and other social needs.

In her words the respondent known as P10, narrated that the pension she received was not useful at all. Both the lump sum and the monthly payments were just small amounts that could not sustain her consumption at this moment life.

> "*I received only Tsh 3 million, the amount which cannot be sufficiently even to build a hut. If not the money I saved for myself during working with the central government I would be very miserable*". Respondent P10

According to her information, responded P10 contributed to the scheme for 32 years. Therefore, she related the amount she received with the number of years she made contributions. When I asked her if she remembered how much she was contributing in those days, she said that in those days the salary was small, hence even the deductions were low compared to the time when she was retired. As discussed earlier at NSSF benefit calculations are based on average annual salary of the best 3 years out of last ten years, provided a contribution record of at least 180 contributions (15 years).

The information provided by respondent P10 indicates that she qualified for the full pension calculation formula since she had contributed for 32 years. But the reality was that the respondent had contributed only eleven (11years) with the NSSF as a pension scheme. Approximately she contributed to the National Provident Fund (NPF) for 21 years where she was a member before she transferred to NSSF in 1998. NSSF as a pension scheme started in Tanzania in 1998 replacing the new defunct National Provident Fund (NPF), which was established since 1964. This was after the government decided to move from operating provident funds to pension schemes to protect the wellbeing of retired civil servants in the country (Mchomvu, Tungaraza, & Maghimbi, 2002).

Members that were transferred from NPF to NSSF in 1998 are known as 'founder members of NSSF' and their old age pension are calculated or treated differently from members who joined the scheme later. NSSF applies the 'Conversion Formula' to convert the member's NPF balance as at June 1998 into NSSF credits [number of converted the contributions (NI)].

Then number of converted contribution (NI) is added to contributions a retired civil servant has contributed after June 30, 1998 (NSSF, 2015). The purpose of the convention formula is to obtain pension credits for founder members of NSSF, to adjust the variations of contribution rates, and to take care of the effects of inflation by applying the 1.5 factor (ibid). The conversion formula is as follows;

N= 1.5*B/C

Where N = number of converted contributions

B = Member's balance as at 30/06/1998

C = Last contribution before July 1998

1.5 = Conversion factor.

At this point I understood that the shift to a new system in 1998 enhanced complexity, which reduced the ability of interviewed retired civil servants to understand the system. As program theory applied in the study postulates, service users or customers (in this study the retired civil servants) should be well informed about how the program works at the time of entry. But what happened in Tanzania in 1998 was very complex. At first place the schemes were operating as provident funds (saving scheme) and then the government changed it into a pension scheme, which also included transferring the members from the provident fund to pension system. The question here is to what extent members were informed on this move, including the information regarding conversion formula. Does this complexity explained to the frustration of some of the retired civil servants?

Respondent P2 from the NSSF staff shared during interview that, NSSF as a pension scheme started in 30/7/1998 to replace the National Provident Fund (NPF). According to the information gathered during interview, NPF was a provident (savings) fund and not pension scheme. Provident schemes provided an opportunity for members to make their contributions during working years and receive it as lump sum at the retirement (Mchomvu, Tungaraza, & Maghimbi, 2002; NSSF, 2015). Currently the government has adopted conversion formula to combine contribution made by a member who has contributed in both schemes. The formula is used to covert contributions a member contributed during NPF and adds those with contributions made during NSSF before calculating pension by using the current formula.

According to the Social Security (minimum standard) Convention of 1952 (No.102), persons termed as "late age entrants" have to receive a basic pension also for shorter qualifying periods. The amount of pension received was understood not to be enough to cater for life expenses to some retirees. The interviewee reflected on old age pension as they related the amount they received and the number of problems solved by using the money. The interviewed civil servants used examples to illustrate the meaning by mentioning and explaining services received through that amount. This included both the amounts they received as lump sums and pensions (annuities).

Life cycle theory used in the study presupposes that smoothed consumption during retirement is the function of savings an individual has done during working years. This was one of the challenges experienced by retired civil servants using NSSF as their pension scheme. It was interesting to understand whether the respondents know the meaning of old age pension (as expressed in life cycle theory and insurance theory) and how they relate it to current level of consumption.

Three of the respondents shared that they understand the purpose of an old age pension, and that is why they related it with their current financial situation. In respond's P9 reactions, the old age pension was the payments paid to old people after being retired or stopped working because of old age. Also he said that he understood that the old age pension is paid to retired civil person from the pension scheme, which the worker was a member or based on his or her contributions during the working period. Further he said that based on the situation of different pension schemes, some of the retired get good amounts while others not, depending on where he or she was a member.

> *"There is a big difference between NSSF and other social security schemes like PPF. To my own understanding, members of PPF pension fund benefit a lot".* Respondent P9

I wanted to know if the retired civil servants understand that, the old age security or pension is a system, which operates under the notion of risk pooling and redistribution across individuals within the scheme (James, 1996). In this, a respondent P11 reacted that the pension scheme was like a common basket where a group of people agree to contribute together a certain amount of money, and in turn each member is assisted in time of difficulties.

He further said that along the way once a member gets a problem like disability or dying, then the scheme would pay to him or his dependents a certain agreed amount. Indeed, he related his explanation with how NSSF operates. In this he said that NSSF as a system has members whom make contributions through their salaries or incomes during the working period. Once the person or a member retires, the scheme pays various benefits as old age pensions.

With regard to insurance theory, retired civil servants were motivated by both longevity risks and life-cycle circumstances, which impair well being; during working years and after retirement. Based on longevity risks, the old age pension is a kind of social protection system focusing to help alleviate demographic pressures, poverty amongst the elderly and provide support for households headed by grandparents following the HIV AIDS pandemic. Understanding the concept of old age pension is necessary for retired civil servants to know source of challenges facing retired civil servants in claiming their benefits particularly at NSSF pension scheme.

4.1.2 Knowledge on pension benefits

All the interviewed retired civil servants said they understood both lump-sum payments and monthly payments meant. To some of them, the problem was the amount provided or paid by NSSF of both payments. They said, the amounts they received were too low for them to make a good life or buy substantial (essential) services. The main message was that, the pension was simply nothing to some of the pensioners because it was not sufficient to help them to make what they understood as substantial services to make meaningful life.

Five out of the interviewed civil servants said that the initial lump sum did not help them to complete their plans of life. When I asked why they did not complete those plans before they retired, there were different responses as I discuss them in the next subsection. Pensioners argued that the initial lump sum was useful for completing plans that a member of a pension scheme could not accomplish when still working, and the monthly payment sustain the pensioners in their monthly basic needs. In addition, according to their understanding, the calculations for monthly payments also reflected the calculations of lump sum.

The interviewee P9 complained on the usefulness of the lump sum amount. She shared that based on how calculations are done; if the amount the pensioner receives as lump sum is big, also the monthly payments will be somehow good. At NSSF, the amount of lump-sum is calculated as 25% of the whole amount and the remaining 75% is paid in monthly rates by distributing it in equal amount along 12 months (1/12), as discussed in part 2.4.5 above. The current formula of NSSF assumes that a pensioner lives on average of 12.5 years after retirement from age of 60 years. Actually, during my interviews I did not ask why and how the current formula for calculating pensions was derived or if the pensioners were aware of the formula.

The formula calculate pensions based on an assumption that an individual will live for 12.5 years after retirement, but the pensioner continues to receiving annuity or monthly payment until death (NSSF, 2015). This relates to the insurance theory used in this study, that the individual who joins a pension scheme, which offers annuity from retirement to death, is assumed to motivate civil servants to join it in Tanzania. Uncertain of not knowing how long he or she will live after retirement (longevity risk), is addressed by buying insurance or joining a pension scheme that provides lifelong annuity (Overbye 2005).

4.1.3 Requirements for receiving benefits

Retiring civil servants are those turning at age of 55 to 59, 60 and being terminated from the employments by their employers, and are eligible for receiving retirement benefits from NSSF.

Civil servant retiring at 60 years

A civil servant who is a member of NSSF requires a full 15 years of contributions that equals to 180 months, to receive full benefits. Another criterion was to reach full retirement age of 60 years. The retirement age for all civil servants in Tanzania is 60 years for mandatory and 55 to 59 years for voluntary retirement.

At NSSF every member has to contribute amount relating to 20% of his or her basic salary each month. There are variations in ways that contributions are received at NSSF, for example it was shared by the staff that, initially 10% of the amount was contributed by the employer and the rest 10% from the employee. However, as of now, the employer either contributes the whole 20% with the employee contributing none or the employer contributes 15%, and the employee contributes 5%**.** A good lump sum or a monthly benefit depends on salary contributed in three years prior to retirement. Based on the calculation formula, higher salaries within these three years lead to higher both lump sum and the monthly paid amount. This could be understood as a Defined Benefit scheme since the pensioners receive pensions and other benefits defined as earnings related, and calculated relative to their final, or best salaries.

The formula for calculating the initial lump sum at NSSF is given as; 1/580 x N x APE x 12.5 x 25%; N=Number of contributions (the number of months pensioner has contributed). APE=Average Pensionable Emolument, which is calculated by the using the best 3 years of contribution out of the last 10 years of contribution, and 12.5 is the Commutation factor (emanates from the assumption that if a civil servant retires today he or she will live for the next 12.5 years). The formula for monthly payment paid to pensioners who receives a full benefit is 1/580 N x APE x 75% x 1/12; Where: N=Number of contributions (the number of months he/she has contributed). APE=Average Pensionable Emolument, which is calculated on the using the best 3 years of contribution out of the last 10 years of contribution.

Civil servant retiring at the age of 55 to 59

A civil servant may retire at the age of 55 to 59 years voluntarily. In this situation, a retired civil servant gets what is known as a reduced pension until he or she reaches 60 years of age when the full benefits begin. This means that if retirement is taken earlier, it is reduced. At NSSF the reduced pension is calculated by removing 0.3% per month, which is 3.6% for every year retired before 60 years, with the condition that his or her calculated pension must be above the minimum pension of Tsh 80,000. Thus if the amount calculated is less than the minimum pension amount, then the retired civil servant has to wait until he attains retirement age of 60 years.

Eight (8) retired civil servants involved in the study reached the compulsory age of retirement of 60 years. At the age of 60, the reduction from the full benefit is done to make up the contribution of 5 years she or he did not contribute to reach the standard of full retirement age of 60 years. Three of the retired civil servants out of eight retired at the compulsory age, but their contributions were less than the minimum requirement (late age entrants) of 180 contributions. At NSSF this was addressed by reference to the ILO convention number 102 of

1952 which requires receiving some basic pension also for shorter qualifying periods. The basic pension in Tanzania is Tsh 80,000 per month. For example if the calculated monthly pension is Tsh. 46, 551.72, since the calculated pension is then below the minimum pension, the pensioner shall be receiving Tsh. 80,000 per month.

Civil servants terminated from their employments

If a civil servant retires before the retirement age due to reasons other than health (e.g. employment termination), and provided that the person has required instalments/ contributions (180 contributions), he or she gets what is known as a "special lump-sum pension'' which is calculated on the basis of his/her total contribution plus interest (the interest of that particular year and calculated on the basis of Bank Of Tanzania). Such an individual (the terminated civil servant) is neither eligible nor entitled for other benefits such as monthly payments. This study did not include any civil servant terminated from his or her job, but reviewed literature indicated that there is problem of civil servants being terminated from their jobs due to various reasons.(URT 2014; Mchomvu, Tungaraza and Maghimbi 2002; Dorfman 2015).

4.2 How does NSSF a social security provider in Tanzania address challenges faced by retired civil servants in claiming pension benefits?

The second question of this thesis is directed to identify challenges faced by retired civil servants using NSSF pension scheme. I wanted to explore intervention strategies employed by NSSF at both macro and micro levels in increasing the feasibility to retired civil servants in claiming their pension benefits. During interviews with NSSF staff I identified some challenges faced by NSSF staff themselves in the course of servicing to retired civil servants. I start by presenting challenges faced by retired civil servants, followed by challenges faced by NSSF staff. The section ends with identified strategies used by NSSF in addressing those challenges

4.2.1 Retired civil servants' complaints

Ignorance on scheme operations, insufficient benefits, delayed payments; transport cost and misuse of member's contributions were identified as current challenges facing retired civil servants in claiming their benefits at NSSF.

Ignorance on schemes operations

Hidden information on the way benefits were calculated was identified as one of the major challenges to all the interviewed retired civil servants involved in the study. In his words the respondent P11 said that he did not know the way benefits were calculated. Indeed he said that he had never been taught or given any information on this matter since he joined the pension fund, and not even after retirement. Another respondent, while angry responded that;

> *"I do not know the formula because I was never told by NSSF which formula is used in calculating my benefits"* P12. A retired civil servant, 2015

According to the retired civil servants' understanding, the formula for calculating benefits was not known to them. All retired civil servants involved in this study were not aware of how their benefits were calculated. When they asked about the formula used to calculate benefits, it was too complicated for them to understand. This finding is similar to that observed by Mchomvu, Tungaraza and Maghimbi (2002) in their study about social security systems in Tanzania. The study identified that most pension schemes that operate in Tanzania are not well known to its members (ibid). In this situation there is a knowledge gap on the way pension funds operates. This means that civil servants maybe motivated to join and contribute to pension funds, but the ultimate of their contribution and benefits remain in the scheme itself.

The pension fund administrators may be doing their best to support the retired civil servants in receiving their benefits. Because of the retired civil servant themselves being uncertain on what in going on in calculating their benefits, this can continue to cause frustrations and lack of trust toward the pension fund. The retired civil servants, as key participant on the pension scheme program complained that NSSF administrators' have manipulated his or her benefits even while this is not. The case Ignorance in understanding the calculation formula for their benefits represents a weakness in the way NSSF operates.

The formula is a technical part, thus it could not be very easy for every retired civil servant involved in the study, but this challenge needs to be addressed. I must appreciate that my interview conversations with both retired civil servants and NSSF staff did not capture much about the efforts to address this challenge. It has been argued that community members can be reluctant to participate and may lose trust in they are not well involved in (Benerjee and Duflo 2011). According to Weiss (1998: 55), “programs are complicated phenomena, generaly born out of experience and professional lore”. The NSSF administration need to use the experiences generated from their customers to reform their program.

Insufficient payments

A respondent identified as P10 shared that her lump sum benefits was very small. The respondent compared the amount she received with the amount provided to her friend served by another pension fund [she was referring to the Public Sector Pension Fund (PSPF)] but the number of years worked and the amount of salary was the same with her. According to her, the lump sum provided was rather low and she decided to refuse to pick up the check. It was only after being advised for long time by colleagues that, she received the check. The respondent shared that, she felt desolation and she did not even want to hear anything from NSSF.

During the interview with one of the NSSF administrator, it was communicated that normally retired civil servants are not aware of many things, including the technical part of calculating the pension, and variations of parameters along pension schemes. For example; in Tanzania there are five pension schemes, each has its vision and mission which at the end affects the pensioners’ income positively or negatively (URT, 2014). Pension scheme was established in Tanzania focusing to its type of clients, ways of making contributions, and types of benefits to be provided (Mchomvu, Tungaraza, & Maghimbi, 2002; URT, 1998). Before the introduction of harmonisation formula, each scheme had its pension calculation formula where PSPF had a formula favouring pensioners compared to other schemes (URT, 2014).

There are variations in pension benefits in Tanzania (World Bank 2014). This study was conducted to assess the operations of pension schemes in Tanzania indentified that there were **v**ariations of parameters of Pension Schemes in Tanzania (as shown in table 1). Variations in parameters guiding calculations contribute to differences in pension benefits. A study conducted to assess the social security system in Tanzania found that most members of pension funds were dissatisfied with insufficient monthly payments and lump-sum payments provided (Mchomvu, Tungaraza and Maghimbi 2002).

The study conducted by the World Bank recommended that pension schemes in Tanzania should be harmonised (World Bank 2014). Currently, the government has adopted one formula for calculating pensions (the one presented above applied at NSSF) and members are free to move from one scheme to another if not satisfied with the former scheme (URT, 2014). I thought that the shared experience on the amount of pension received from NSSF and the limited understanding of the pension formula was very important. This was the focus of the study to gauge the retired civil servants reaction towards receiving pension benefits from NSSF. Although the study was limited by a very small sample for generalisation, I believe that this could be the starting point to think about improving pension systems in Tanzania.

Delayed payments

Delays in processing and paying benefits for a number of months also featured as a complaint. One of the retired civil servants said that his payment took so long to be paid. He used to go to the facility almost every month until he was paid. According to respondent P12, this lead to some retired civil servants being influenced to offer bribes to enhance the processing of the benefits, hence leading to the reduction of pension income, as it would already have to be used to pay amount, which was owed or promised.

Transport costs

Costs involved in hiring a commuter bus from home to the NSSF pension office in Dar es Salaam was communicated as burden to retired civil servants involved in the study. The respondent P9 said that she was living far from the city centre where the office is located. Therefore, the expenses of going and return from the office, some time she failed to afford.

"Sometimes I miss my appointments when I don't have some cash for transport.

Misuse of members' contributions

All the interviewed retired civil servants shared that there are many rumours that NSSF high-level officials are not trustfully. They said that, delay of being paid their retirement benefits was associated with the corruption and embezzlement of the scheme's funds. They claimed that NSSF use members' contributions as capital for investing in various projects. There are a number of problems that are happening within the agency related to poor project contracts and sustainability of some projects. They claimed that the scheme sometimes faces some financial problems as a result of abuse of public funds done by NSSF officials.

The researcher tried to link this complain with the scandal concerning embezzlement of NSSF money reported in 2016. Along with this scandal the President of Tanzania Dr. John Pombe Magufuli suspended the whole board of governors and some of the administrative managers (Guardian, 2016). These officials have been charged for mismanagement of facility funds (ibid). According to the newspaper, twelve high-level officials of the National Social Security Fund (NSSF) have been suspended over allegations of embezzlement and abuse of public office in the management of major investments projects set up by the fund. The report further said that the NSSF board of trustees under the chairmanship of Prof Samwel Wangwe told six directors and six managers to stay home pending investigations based on the findings of various audit reports.

According to the news, the investigation is based on allegations of embezzlement and abuse of office, regulations, laws, and procedures in investment, project management, land procurement and employment. This is not the first charge to NSSF officials with regard to misuse of scheme funds. In February 2016, President John Magufuli removed NSSF's long-serving director general Ramadhan Dau from his position. No reason was given for Dau's forced exit, but there have been long-standing allegations of impropriety of funds in the USD 653 million which were set for the Dege Eco Village project, being jointly implemented by NSSF and a private company in the new Kigamboni district of Dar es Salaam (formally part of Temeke district).

According to the report (Guardian, 2016), an audit report on the project prepared by the Controller and Audit General (CAG) uncovered serious financial irregularities in the execution of the joint venture project. During interview sessions with NSSF staff, (a respondent labelled as P1) said that NSSF as a pension scheme uses contributions it receives from members for investing into various projects. The returns and profits generated from these investments are used to pay pensioners. Table 4 summarises the complaints and the corresponding various types of weakness of NSSF scheme as retired civil servants shared it.

To sum up; most of the respondents face many challenges during the time of claiming their old age benefits. NSSF offices are located in urban areas and access to these offices is a big problem to most of the retired civil servants, especially those who live in rural areas or those who live in urban areas but far from the offices. This is because they need enough money to travel several times to reach these offices while at the same time they are out of employment. Furthermore, there is a challenge of bureaucracy whereby beneficiaries need to fill in many forms, and these forms need to pass many NSSF departments, taking long a time before old people can start to receive their pensions.

Also there are challenges in having to several follow-ups to these offices before the payments can start. Those old people who face these challenges may fail to claim the benefits they are entitled to. The old age pension is very important to retired civil servants since it can help them when facing difficulties in their lives, but some retired civil servants do not get a benefit from the NSSF because they are out of employment, their income level has gone down, and they now cannot afford to cover for the costs of processing their claims. Furthermore, there is also a challenge with the limited amount of benefits offered by the NSSF old age pension scheme.

Table 4 Summary of complaints reported by retired civil servants and related types of weaknesses of the scheme.

Complaints	Related weakness of the scheme	Responses
Ignorance on scheme operations	Lack of information and transparency in the way benefits calculated	Awareness raising about the scheme operation has started.
Delay of payments	Lack of documentation and proper database	The scheme has adopted new technology for database and documentation of members information
Transport costs	Related to less number of NSSF offices in the city	The scheme has started opening more offices to enable their members to access services nearby.
Insufficient payments	The calculation formula was different compared to other schemes	In 2014, there was a harmonisation of formula for calculating benefits in all pension schemes in the country.
Misuse of members contributions	Mistrust, corruption etc	The government has started to take action by removing from the office and charging the alleged officials

Source: Compiled from information provided by interviewed NSSF staff, 2015

4.2.2 Impact of presented challenges on the well-being of the retired civil servants

Inability to access basic social services, inability to fulfil certain basic needs, debt accumulation, delay in personal project planning, and inability to feed themselves and their children better, were reported by the respondents as the main challenges they faced after retirement.

The main impact was that of inability to access basic social services like health, education, clean water and electricity. The respondent coded as P12 reported to experience difficulties in taking his children and other young dependents to school. The inability to afford access to quality health/ medical services for their family members was mentioned by all respondents. Respondents reported that as retired civil servants they have an opportunity to access health services by using health insurances they received during working time.

Respondent P10 reported that difficulties happen when family members whom she takes care of fall sick. In situations like this retired civil servant need cash to take them for medical consultations and medication. For this purpose NSSF provides what they call a social health insurance benefits to their customers. Benefits and services covered include outpatient services like consultation with clinical or medical doctors, basic and specialised investigations, minor surgical procedures, dispensing of drugs and referrals to higher levels and specialised hospitals. In-patient services include accommodation, consultations with clinical and medical doctors, surgeries, dispensing of drugs and referral to specialised hospitals. This health insurance is not covering transport costs to hospitals and price of food while staying in the hospital (NSSF, 2015).

In expressing frustrations, P9 gave the following statement:

> *"Being retired with ill health, I have suffered as if I did not work for my government. My family is suffering and my grandchildren are not attending school even if I have monthly pension payments. It is not enough. It is not good after working for all these years*". Respondent P9

Inability to feed themselves and their family members better was also identified as an impact of deployment or little monthly instalments from NSSF. It was reported that using one type of diet for some days was not the choice or option of an individual, but economic situation forced them to eat the same and less nutritious food. I understood that retired civil servants who have not invested much during their working time experience poverty conditions as other poor people in the community including those who had not been employed at all.

This behaviour was relevant with what is postulated by life-cycle theory and insurance theory. Enough savings in life provide sustainable consumption in later life. At one point people (civil servants) work hard, and the earnings they get are consumed, and used to pay debts. They incurred debts in the process of for example, getting education and the remaining is saved let us say as a pension. But because of poverty, many Tanzanians are finding it very difficult to break the cycle of poverty and be able to save enough for the future.

A person with enough income per month can, apart from saving as pension through pension schemes, also can save for the future in terms of buying houses, keeping animals, investing in lands etc all these savings can help a person during old age. It was communicated by respondents that the salaries they received were not enough to divide it, and that is why most of the pensioners decided to additional ways of saving other than pension. The pension was not enough to sustain the life of an individual among the respondents. In Tanzania, there is no universal pension or any other kind of compensation. The poor realise the value of feeding themselves and their children better (Benerjee and Duflo 2011) but the economic situation creates an obstacle.

The respondent P9 said that the amount he receives as monthly instalment is not enough even to make him change his diet. Apart from costs of buying food, he also used to save the little money for other important life necessities like water and electricity bills. Access to water and electricity services was also mentioned as difficult situations they experience. This was associated with inability to pay bills that would enable provisioning of such services. As a result respondents P9 and P10 mentioned their engagement into debt accumulation as means to find ways in which to survive. In some cases they had to go without those services due to lack of adequate finance to cover such basic costs.

To sum up; The findings discussed here has helped me to understand that the pension funds given to pensioners are often insufficient due to the fund being small and does not help them sufficiently to alleviate poverty. Still pensioners continue to suffer from sickness, hunger and other social problems. Moreover, people still live in sub standard housing; the households of the respondents involved in the study do not meet their member's basic needs because of economic hardships. One can argue that the benefits are far from being adequate to sustain life in contemporary Tanzanian economy.

According to the life cycle theory as applied in this study, there is a point in life where an individual is supposed to invest or save some of his or her earnings as a cushion in time of old age or when he or she no longer engages in production. But the idea of cushioning the risks related to unemployment risks or longevity risks as postulated by life cycle theory and insurance theory respectively may not successful work if mismanagement of funds continue in those pension schemes in Tanzania. Another argument can be the contribution period of only 15 years for a full benefit is too short to supply a descent pension level, even with 20% of salaries used as pension contributions. If those contributions are sent back as cheap loans to the employees, then the accumulated funds may be small as they are meant to finance a pension for an average of 12.5 years plus a lump sum.

CHAPTER FIVE

NSSF AND ITS CHALLENGES TO MEET RETIRED CIVIL SERVANTS NEEDS

5.1 Introduction

This chapter is about challenges facing NSSF as a pension scheme in Tanzania. Responses and behaviours of NSSF staff reported here were informed by implementation theory applied in the study to guide hypotheses and interview question posed to uncover the behaviours of the interviewed staff in the process of rendering services to retired civil servants. According to the implementation theory, the implementation side of the program involves management team, operation staff, supporting staff and technical staff (Weiss, 1998). At NSSF I managed to conduct interviews with one senior officer, four operation officers (claim processing officers) and one technical staff.

5.2 Identified challenges facing NSSF as a pension scheme in the course of rendering services to the retired civil servants.

Missing relevant information related to retired civil servants, delay of contributions from employers, dynamic technological environment and the political-legal environment was identified as major challenges faced by NSSF staff in the process of providing services to retired civil servants.

Missing of information

NSSF staff involved in the study mentioned missing information regarding retired civil servants employment history, personal contacts, next of kin where the retired civil servants has passed away, were common challenges. Some of the retired civil servants lost their NSSF identification card while some of them failed to have bank accounts to channel their pensions. In expressing missing of information, respondents coded P1 and P2 indicated the following statement as a response;

> *"There are some cases of missing data/information especially incomplete data that was provided initially during registration (wrong data entry or missing data). In this case correction or provision of additional information will be required (and this may slow down the process)"*Respondent P1.

During the interview P1 shared that the procedure for accessing the pension requires the retired civil servant to present several items. These include current passport size, personal identity, a photocopy of the NSSF card, and proof of bank account details. Indeed the termination letters from the employer as well as a resignation letter were among the procedures that were required in accessing the pension. Respondent P2 said that it was very often to find a retired civil servant to misplace these documents, and most of the time when coming for the first time to start the process of submitting their claims. In this way it takes more time to find the needed documents and it can cause delay in starting receiving the pension.

Another important procedure was for the pensioners have to fill all relevant forms accurately. The fund conducted investigations to prove the information provided. If the information filled in was not relevant, then the pensioner was asked to fill another form. Another NSSF staff shared that the process of conducting proof to information and documents was conducted very quickly if the customer presented all the required documents in time. I understood from the interviews that it was necessary for the retired civil servant to make some preparations and understand some of the procedures for claiming his or her benefits.

Delay of contributions from employers

Another challenge faced by the administrators was delay of employers to submit contributions. This was identified as a common problem to many employers from both private and public entities. Responded P3 shared that it was common to find that an employee had been deducted from his or her salary, but unfortunately the deductions are not yet received at the scheme.

During interview I asked P1 if they have any power to force employers to obey the law, which require them to submit contributions in monthly instalments. She said that according to pension benefit regulations of 2003, the scheme has authority to press a fine of 5% of delayed contribution in each month. She said that normally NSSF use this kind of penalty to discipline disobedient employers. Apart from this, the NSSF also continue with its routine activities of providing awareness and education to employers, employees and the whole public on pension's benefits.

While addressing the public on the workers day, in May 2016, The Tanzania President Dr Magufuli blamed employers who fail to submit the pension contributions in time. In his speech he said that the time to play with employee's welfare has passed. Employers who fail to submit employee's contributions have to be taken immediate action against including taking them to the court.

Dynamic technological environment

The administrators shared that currently there is much development-taking place in terms of the technological environment. This implies that an organisation like NSSF has to keep a breast with the changes taking place. The respondent P4 and P2 said that use of computer software makes the job easier and faster. Failure to adopt use of computers and new software technologies slows down implementation efforts. NSSF has put an eye to this and has invested much on taking its staff to long and short courses.

> *"Now days we are up-to-date with technology because we regularly attend training"* Respondent P4.

Respondent P2 shared that currently the scheme has invested in modern technological machines used for carrying out activities like registration of members, collection of contributions and provision of benefits. The invested technology has reduced the rate of fraudulent events in the system. It was shared that it was almost impossible for a fraud person to get into the system and get benefits because the use of smart cards and fingerprints now helps to identify the clients.

> *"The NSSF uses smart cards with a memory chip that is inserted into a computer for identification purpose. Additionally, NSSF uses member/contributor's fingerprints to determine if the claimant is fraud or not". Respondent P2*

Political-legal environment

There are continuous reforms in laws and policies in the country. These have lead to changes in adopting a standard formula for calculating pension benefits. A harmonisation rule took place recently in the country (URT 2014). All NSSF members (those registered before and after the rule) retiring will use the new (harmonised) formular in calculating their benefits. It was shared that there are many reforms taking place in this area, and some of them bring misunderstandings not only between schemes and members, but also between members of schemes and the government.

In 2015 there was a hot debate in the parliement on whether to remove the pension payments to employees willing to terminate their contracts before retirement age or not. The government wanted those terminating their contracts to wait until they turn the age of retirement to claim their benefit. But the employees were agaist this and persuaded to the government to remove the condition. Respondent P6 said that the arguments affects the schemes to some extent because it has to effect chages now, and then once again if changes happens.

Table 5 Summary of complaints raised by NSSF staff and related types of weaknesses of the scheme

Complaint	Related weakness of the scheme	Responses
Missing members' information	Weak documentation and database	The scheme has started investing into new software technology
Delay of contributions from employers	Delay in making follow up to employers who delay contributions	Employer who delays contributio has to face severe sactions including being taken tothe court.
Dynamic technological environment	Failure to adopt new software technology	The scheme has started to adopt new software technology, plus taking staff to attend sort and long courses on software technology.
Political-legal environment	Dynamicsocial-political-legal enviroment in the country	The state has harmonised the formula for culculating pension and it still working on other reforms

Source: Compiled from information provided by interviewed NSSF staff, 2015

5.3 Intervention strategies employed by the NSSF to improve the identified challenges.

This section presents findings obtained from interviews with NSSF staff supplemented with reviewed literature.

Raising awareness

Respondent P1 shared that the primary objective of NSSF is to provide a wide range of short term and long-term benefits to members and families in need of insurance coverage. The fund offers Old Age, Invalidity and Survivors Pension, Employment Injury, Social Health Insurance, Maternity and Funeral Grants Benefit services. The scheme is financed through contributions at the rate of 20% of employee’s salary.

The employer is required to deduct from employee’s gross salary the amount of contribution not exceeding 10% of the employee’s salary. If necessary the employer adds the remaining balance to make the required contribution rate of 20 % per month. The NSSF staffs keep on providing such kind of information to its members and the public to help them understand what the scheme is doing and convince new members to join. NSSF had a scheme promotion unit under a marketing department, responsible for providing education and awareness on the need of social security to community members. The team uses mass media and physical visitations to community members in rural areas, in schools, especially universities, where potential customers are found, and to foreigners coming to work in the country (NSSF, 2015).

In order to extend its services to many Tanzanians and make people trust the scheme, various innovations have been put in place. NSSF has introduced a scheme known as Welfare Scheme for Tanzanians in Diaspora (WESTADI), this is a special scheme for Tanzanians living abroad. The scheme has introduced the MIKOPO Scheme (MIKOPO is a Swahili word, in English it means Loans). The scheme provides loans to its members through employers or micro finance institutions. There is also the HIARI Scheme (voluntary scheme), MADINI Scheme (special scheme to cover members from mining industry), and other schemes to cover members from the agriculture, industry and fishing industry.

NSSF scheme is a leading provider of social security services in the country. The employers and employees covered by the scheme come from various categories including the private sector, government ministries and departments, parastatal organizations, self-employed or any other employed person not covered by any other scheme plus any other category as declared by the Ministry of Labour (Mchomvu, Tungaraza and Maghimbi 2002).

Under the new harmonisation rule, an employer is free to join any pension scheme operating in the country. With this, the scheme has to sell their policies to employers and makes them understand before they decide to join (URT, 2014). The harmonisation rule introduced by the Tanzania Government in 2014, implies that NSSF is increasingly under competitive pressure from alternative pension funds. In the same manner it implies that trust on behalf of employers, employees and pensioners is more crucial if the system is to survive, or at least to maintain a membership beyond the core.

The harmonisation rule has removed earlier restrictions that preventing employees from for example local governments who were automatically members of Local Authority Pension Fund (LAPF) to register with either of the other schemes (URT, 2014). In this competitive social security market, only competent schemes will survive. In Tanzania there are five " Mandatory Defined Benefit Schemes" which are PPF established under Act No. 14 of 1978 as amended, GEPF established under Act No. 8 of 2013, LAPF established under Act No. 9 of 2006 as amended, PSPF established under Act No. 2 of 1999 as amended, and the NSSF established under A ct No. 28 of 1997 as amended (URT, 2014).

CHAPTER SIX
DISCUSSIONS

6.1 Introduction

This section discusses findings presented in chapter four and five above. The section is divided into two subsections; first, between ageing, consumption and the culture of saving. Second, it discusses the perceived pension reforms in Tanzania; a) reforms in Mandatory Defined Benefit pension schemes and b) reforms for minimum old age pension to those failed to sign up the Mandatory schemes.

6.2 Between Ageing, Consumption and Saving

Life cycle theory and insurance theory used in this study postulates that human beings have an opportunity to see their future from the moment they are born. The cycle starts right from birth where the person is apparently cared for by parents or caregivers. It goes to the time where a person is able to live independently by using his or her own earnings. According to these theories, it is at this *independent lifetime* where an individual hypothetical, required use his earnings for immediate needs and saving for future *use* (Benerjee and Duflo 2011).

The future of an individual depends on how much a person saves or invests during working years (James 1996; World Bank 2014). The study conducted in Tanzania by Tungaraza revealed that in previous years, the intention for saving was not given much attention (Tungaraza 1994). One of the reasons was that informal family system took the whole role of supporting its old people (ibid). However with decay of traditional societies, as economic development and urbanization increases, the family support system breaks down and formal systems, often publicly financed, take over (Mchomvu, Tungaraza and Maghimbi 2002; Mwaikambo 2013; James 1996).

The role of pension schemes such as NSSF in addressing poverty and increase consumption to old age people is very crucial. This goes with the reality that pension schemes have taken the position of family members like sons, friends, and other members in the kinship. The consumption of retired civil servants is left in the hands of pension schemes. The scheme has been designed and substitutes the role of the informal social security sources; hence any breakdown of the pension scheme may cause many complaints from retired civil servants as has been identified in the study.

One of the key findings identified in this study is the position of pension schemes, NSSF being a example in this case. Pension schemes as part of formal social security has a room for displacing or strengthening informal social security (Chomutare 2013). As a formal system, pensions typically provide a stream of income, called pensions or annuities to old people in lieu of wages or family support (James 1996). In this way integrity and all kinds of responsibilities towards servicing to retired civil servants should be the integral part of the scheme and its staff.

The findings reveals that retired civil servants have little knowledge on how the system operates. All the interviewed retired civil servants stated that, they perceived that the system was not friendly to some extent. According to them, they intend to save for their future consumption through NSSF, but the scheme provides below what they expected.

On the other hand, discussions with NSSF staffs, some staffs indicated that the scheme operates at its standards, though there were issues complained about by their customers, which needed to be addressed. Some of the issues were missing or delayed contributions from employers, and long waiting time from submitting claims to the day of payment. NSSF staff agreed in the deal to take care and make payments as quick as possible. However, issues related to low the amount of pension benefit were a challenge since the scheme paid to retired civil servants based on contributions and the time the person has contributed.

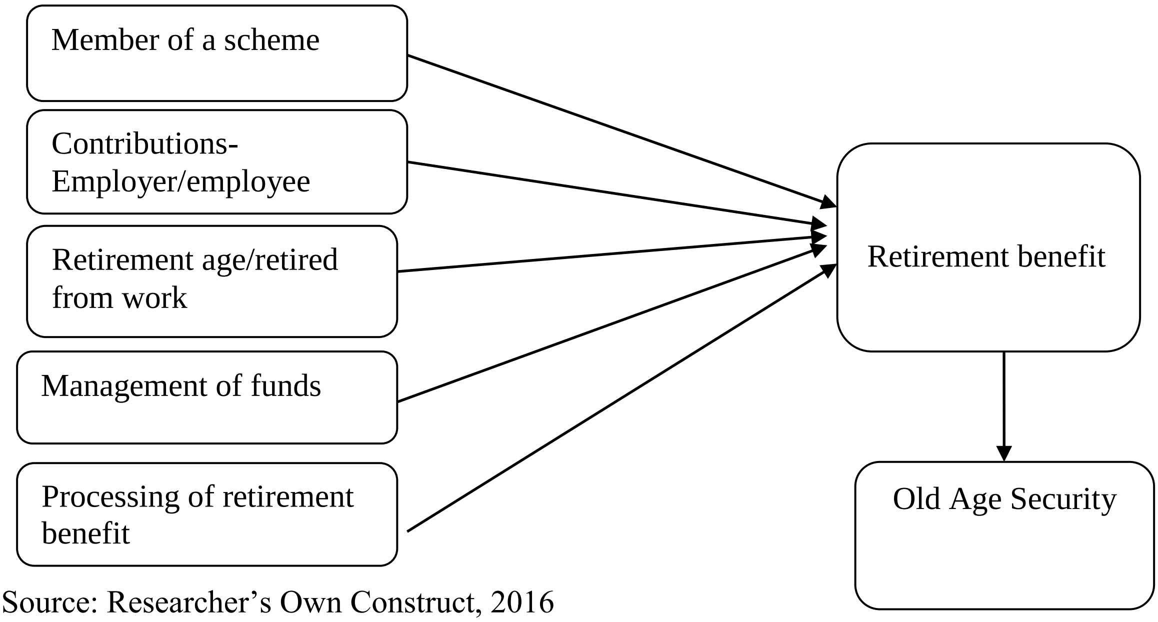
This meant that to receive a large or small amount had is related to the number of contributions made. The person contributed less; receiving low amount of pension was inevitable. In Tanzania all Defined Benefit Mandatory schemes applying the current pension formula are required by the law to calculate the pension benefit including indexation time to time after calculating actual valuation (URT, 2014). Monthly benefits are adjusted for inflation to avoid that benefits lose their value over the years. The indexation of benefits is also meant to reduce the worry or “uncertainty factor” on behalf of present and future retirees which may otherwise reduce their motivation to enter the scheme (Overbye 2005).

The experience indicated here by the retired civil servants shows that the accomplishment of their life cycle to some extent was impaired by the NSSF pension scheme. According to the theory the financial life of an individual passes through three phases after starting a professional activity; earning a wage from his or her labour supply- let us assume this was covered. Paying off their debts, and begin process of accumulation of wealth to be able to finance their retirement period- this was covered. Use of what they have saved- in this we see some contradictions with the agent whom the retired civil servants entrusted their savings. The question is to what extent the retired civil servants were exposed to sufficient information in the time of joining the NSSF as their key stakeholder in their old age life?

Although I did not ask this question during the interviews, the reviewed literature indicates that most workers in Tanzania join a pension scheme without enough knowledge on how the scheme operates (Mwaikambo 2013; Mchomvu, Tungaraza and Maghimbi 2002). There are six pension schemes operating in the country as shown in table 1. In previous years each scheme was responsible to a specific group of workers. For example those from the private sector were supposed to join NSSF. There was no room for options until recently when the government started to harmonisation strategy (World Bank 2014). This meant that with random system of looking employment, a worker may falls to any pension scheme, then force an individual continue in the same until retires.

In understanding the way pension schemes operates. For one to receive good retirement benefit and increase old age security there are several factors that have to be met, as indicated in figure 2 below. One has to be a member of a scheme and make monthly contributions, part of which is paid by his or her employer. The scheme manages the fund and provides short-term benefits. After retiring from work one can lodge a claim, the benefit processing take its course, and finally a member is paid. The retirement benefit paid is expected to bring security to the retired civil servant.

Figure 2; Shows conditions necessary for the retired civil servant to receive retirement benefit.



Source: Researcher's Own Construct, 2016

NSSF as a key provider to retired civil servants and their dependants has to find the best ways it can in order to help retired civil servants accomplish and increase their old age security. This should be clearly known to NSSF that it came to existence because of the current perspectives taking place in the world and Tanzania in particular. As a person becomes older their working capacity is reduced and they tend to depend on what they accumulated during younger age.

It has been argued that, the scale of benefits payable under the different schemes should be made known to members (Tungaraza 1994; Mwaikambo 2013). Studies indicate that benefit formulae and conditions for payment should therefore be clearly spelt out in the laws establishing the respective schemes (HelpAge International 2014). Protecting the rights of the beneficiaries is the main responsibility of any social security scheme, and benefits should be paid promptly. Mechanisms for appeal should be established in law so that aggrieved contributors and beneficiaries can pursue their rights (Mchomvu, Tungaraza and Maghimbi 2002).

6.3 Pension scheme reforms

The findings generated from this research indicate that there is need for social security reforms in both mandatory pension schemes and in minimum pensions for those who fail to sign up in pension schemes.

6.3.1 Mandatory schemes reform

Implementation theory as applied in the study has helped to understand that NSSF as a mandatory pension scheme established by the parliament Act Supplements of 1997 (URT 1998), has internal challenges. The challenges need to be fixed for better future of the scheme and the wellbeing of members saving their pensions through the scheme. According to implementation theory Weiss, 1998), Pension schemes can improve the way they provide services by employing trusted professionals, continuing educating the community on how the firm operates, and work according to the law that established the scheme (URT 2014; HelpAge International 2014).

The cases presented in this study indicate that there are problems within the schemes, which weaken the smooth operation of the scheme. Monitoring on the way NSSF officials engage in projects by using contributions from the members should be increased (Gillion & Turner, 2000). The government should be closer to these schemes and watch how they operate, and advise the managements to avoid recurrently poor investment and misuse of members' contributions (Barr, 1992; HelpAge International, 2014).

The big picture suggests that there are concerns of welfare benefits and reduction of poverty in particular to among older people in Tanzania. Complaints made by respondents involved in the study are not new in the country (HelpAge International 2014). Studies conducted in Tanzania earlier indicate that different retired civil servants from different pension schemes have similar complaints (over whelming poverty) all over the country (HelpAge International 2014; Mwaikambo 2013; World Bank 2014).

The identified challenges include small amount of pension benefits, which do not cater for life needs, and the burden of taking care of other family members they are common to most of the retired civil servants interviewed. This was shared by all the retirees involved in the study and also in the study conducted by HelpAge International in Tanzania (HelpAge International 2014). The experiences indicated that challenges on the implementation side are embedded in the demand from retired civil servants in the country for improvement of their lump sum and monthly pension benefits. The study conducted by the Legal and Human Right Centre (LHRC &ZLSC, 2015) revealed that there are a number of challenges facing retired civil servants in Tanzania. These includes receiving an amount that cannot afford life necessities to those denied (for example those worked with the East African Community which was dissolved in 1977) or taking long time to wait until the start receiving their pension.

As mentioned above, the 2014 harmonised rule was affected and has had tremendous effects on rehabilitating Social insurance system in the country. The rule harmonises the formula for calculating both the lump sum and monthly payments to retired civil servant (URT 2014). It started to operate in 01 July 2014 in all the schemes to calculate the pension benefits. Studies are being conducted to assess the impact of these reforms, indicating that retired civil servants suffer a lot including poverty. In their report HelpAge International said

> "*Majority of older people in the developing world have had no opportunity to accumulate assets and savings throughout their lives. Many will have lived lifetimes in poverty, and even those above the poverty line are unlikely to have put enough money aside for old age. For those in the labour force, most will have worked in informal employment so will not have benefited from the social security mechanisms provided in the formal sector" (HelpAge International 2014:01).*

The study further indicates that the absence of income security for older people together with their higher poverty levels serves to undermine the effectiveness of other social protection policy measures such as uptake of healthcare exemptions provided to poor older people and their dependents, as well as uptake of livelihood promotion services and other public services (HelpAge International 2014; James 1996; Museya 2014; Mwaikambo 2013). This is due to prohibitive hidden costs for transport and other pre-requisites to ascertain eligibility. Consequently, the life of retired civil servants in low-income countries is associated with risks and vulnerabilities. Income insecurity, chronic health problems, poor health services, and the burden of care for children particularly where HIV and AIDS has had devastating impacts are common (Museya, 2014).

As it was pointed out by James (1996) that governments need to prepare to take care to its increasingly ageing population, and Tanzania is not an exception. There is evidence of increase in life expectancy highlighting the increase in life longevity to its older people (HelpAge International 2014). According to the 2012 Population and Housing Census (PHC), life expectancy at birth for Tanzanians has increased from 50.1 in 2002 to 61.8 in 2012 (URT, 2015; UNDP, 2015). The development of oil and gas industry in the country in recent years projects the increase of GDP hence it leads to improvement of living conditions (UNDP, 2015)

The improved living condition is expected to reduce mortality rates and increase life expectancy (UNDP, 2015). Social security policies should focus on how to have effective protection to vulnerable groups including the old people. The understanding and based on the findings and the contemporary changing of the social and human needs (Ginneken 2003), harmonisation of pension schemes is perharps not enough. Proper strategies along with Mandatory contribution based pension schemes to fight against old age poverty (retirement period) is very important.

6.3.2 Minimum Old Age pension to outsiders of pension schemes

In 1996, Estelle James studied about new old age security systems in the world. Today it is twenty-five years since she made her assumption that “over the next 35 years, the proportion of the world' population that is over age 60 will nearly double, from 9% to 16%”. The major reason for this increase is associated with increase of the life expectancy and declines in fertility rates. The study further indicated that around year 2030, 80% of the world's old people will live in developing countries because of their rapid aging (ibid). In response to the situation therefore, developing countries were argued to begin thinking about how they will care for their older populations (World Bank 1994; James 1996).

The hypotheses introduced by Estelle James suggest important reforms particularly on tax financed or minimum old age pension to outsiders of mandatory (those failed to sign up) and voluntary contribution based schemes as practiced in Tanzania (NSSF, 2015). Improvement in living conditions taking place in many developing countries, including Tanzania, indicates that many people have an opportunity to live longer and healthier lives (LHRC, 2015). Life expectancy is sensitive to social change (Lindstrand, et al. 2006) and it creates attention to policy changes (Ginneken 2003). Social changes taking place today all over the world include an increase of the old population which cannot support itself, hence call for minimun old age pensions from the state (social assistance) to support the older from being over stressed by poverty. The need for a minimum old age pension is also necessary because there is evedence of crowding out of the informal social protection that existed in the coutry during and after colonialism (Mchomvu, Tungaraza, & Maghimbi, 2002; Tungaraza, 1994; LHRC, 2015).

The current situation compels the working age population to support a growing number of people who are no longer actively generating economic output (Dorfman 2015; Musenya 2014; Tungaraza 1994). The increase of the old age population also generates fiscal pressures for the government (James 1996). The tension has leaded some countries to review fiscal policies, for example tax policies, as measures to accommodate the pressure (Dorfman 2015; Ginneken 2003). This means that as an aging population increases, governments should invest more in social welfare (Halvorsen and Stjerno 2008) especialy in social security. The same situation has been observed happening in other developing countries, particularly in the global south (Perez-Baltodano 2004; James 1996).

Weakening informal social protection systems, limited growth of the formal employment avenues, reduced access to social services, low level of income leading to an inadequate position for majority workers to meet their basic requirements and save for future use, and declaration of low insurable earnings, were among the challenge that gave rise to social security in Tanzania (Mchomvu, Tungaraza and Maghimbi 2002). Recent studies conducted in Tanzania indicate that these conditions still exist in the country, regardless of having a number of pension schemes operating in the country (HelpAge International 2014; Mwaikambo 2013; URT 2014). This indicates that social security policies need to be reviewed to accomodate the current situation of the old age population in the country.

CHAPTER SEVEN
CONCLUSION AND RECOMMENDATIONS

7.1 Conclusion

Overall, the study has seen that the role of pension schemes such as NSSF in addressing poverty and increase consumption to old age people is very crucial. This goes with the reality that pension schemes have taken the position of family members like sons, friends, and other members in the kinship group. The consumption of retired civil servants is left in the hands of pension schemes. The scheme has been designed and substitutes the role of the informal social security; hence any breakdown of a pension scheme may cause many complaints among retired civil servants, as has been identified in the study.

Poverty, intensified with limited support from the eroded informal social security in Tanzania, pushes retired civil servants involved in the study into vulnerable risks and uncertainties with respect to income as a means of life sustenance. To contain these risks, the retired civil servants as well as everyone else need some form of social security guaranteed by the family, community and the society as a whole. Such socio-economic risks and uncertainties in human life form the basis for the need of social security. Social security is rooted in the need for solidarity and risk pooling by the society given that no individual can guarantee his or her own security (Ginneken 2003).

The establishment of the National Social Security Fund Retirement Pension was to guarantee income security to retired civil servants members by providing periodic payments. The study had shown that the National Social Security Fund (NSSF) is very important to retired civil servants, since it can help them support life when they are no longer working. The majority of people become old with poor health, due to poor life styles and poor nutrition not only during childhood but also during their old age.

Due to that, social security funds can help them at this point in time. It helps retired civil servants in saving and participates in income generating activities in order to raise family income. Less than five percent of the labor force in Tanzania is covered by social security schemes, especially old age pensions (HelpAge International 2014). Still, there are a number of complaints with regard to the way pensions are organized, coordinated and provided.

Based on the qualitative research design adopted in this study, the findings are limited only to respondents of this study. But the experience and literature reviewed shows that in Tanzania regardless of the pension scheme, some of the beneficiaries suffer similar pains including challenges they face in the time of claiming their old age benefits. In their report HelpAge International argued that challenges faced by retired civil servants are a national concern (ibid). The study highlights very key issues that can be considered in averting old age poverty particularly to retired civil servants in Tanzania.

7.2 Recommendation for further research

The study has highlighted not only issues interacting with retired civil servants in accessing pension but also the worth of the pension received from NSSF. The scheme plays its important role sustaining the life of retired civil servants. Retired civil servants involved in the study used the scheme to invest for their future, and now they are receiving what they saved during their working years. However, some of the points rose during interviews and discussions would require the adoption of more rigorous research designs in order to be able to draw strong conclusions about those issues. There is also a need to research more on to what extent the beneficiaries of pension schemes are being informed by the changes and or reforms happening in the scheme. And to what extent these reforms impact their retirement benefits.

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Appendix 1: Interview guides

Interview guide for understanding the experiences of retired civil servants in claiming their old age pension from the National Social Security Fund (NSSF) in Tanzania: The study based in Kinondoni municipality in Dar-es-salaam.

1. An interview guide with the retired civil servants

i. Can you share with me what does old age pension that you have received from NSSF mean to you? Can you explain briefly about it?
ii. What is the retirement age at NSSF?
iii. How old were you when you retired?
iv. How does the old age pension help you? What changes do you now see in your life as a result of receiving the old age pension?
v. What is the calculation formula? (How does the NSSF calculate the lump-sum?)
vi. What is the relationship between contributions and lump-sum benefits in NSSF?
vii. How did you contribute to the pension scheme before you retired?
viii. How many years did you contribute to the pension scheme?
ix. How much did you contribute each year?
x. Did you know the status of your benefits before you retired?
xi. If yes, how did you acquire this information?
xii. Did the information you got beforehand, correspond to the benefit you actually got when you retired?
    a. If not, why not?
xiii. If you did not know the status of your benefit beforehand, why did you not know?
xiv. What were the procedures when you claimed your old age pension from NSSF?
xv. What problems or challenges did you face, when you claimed your old age pension?
xvi. Do you have any recommendations for improving old age pension services to the NSSF as the service provider and to the government?
xvii. Suggestions for improving the information given to civil servants before they retire
xviii. Suggestions for improving the actual delivery of benefits to retirees
xix. Suggestions for the procedures of acknowledging and dealing with complaints by those who think the NSSF benefit calculation is wrong, or who believe they have wrongfully been denied a pension
xx. Other suggestions (please specify)

2. **An interview guide with the NSSF service provider (staff)**

i. How many years of contributions are necessary to get a full benefit?
ii. How is each year's contribution calculated? (as a percentage of earnings? Other method?)
iii. What is the retirement age?
iv. How if the benefit calculated if a civil servant retires before retirement age?
v. What are the procedures for processing claims? What are the procedures for receiving [paying out] an old age pension?
vi. Can only the retired person him/herself claim the benefit, or can someone claim on their behalf? (sons, daughters, other relatives etc)?
vii. How do you know that the person, who claims the benefit, is really the person he/she claims to be? (How do you validate the identity of the claimant?)
viii. What problems or challenges do you face when processing and providing old age pension?
ix. Is there a problem with benefit fraud that is: people claiming benefits that are not entitled to them?
x. Do you have enough manpower to process the claims in reasonable time?
xi. How do you keep track of paid-in contributions?
xii. If there are any problem or challenge: Do you have any suggestions as to how they can be rectified?
xiii. How is the old age pension calculated in NSSF?
xiv. How does receiving old age pension bring the changes in the life of the recipients of the scheme?
xv. Can the NSSF recipients know the status of their benefits before they retire?
    a. If so, how can they find out?
    b. If not, why not?
xvi. What benefits does NSSF get by receiving its members' contributions?
xvii. In what ways does NSSF use the money it collects as contributions from its beneficiaries?
xviii. Does NSSF use members' contribution for starting development projects and/or giving loans?
xix. How do retired civil servants contribute to the scheme

Appendix 2: Introduction letter from HiOA

OSLO AND AKERSHUS UNIVERSITY COLLEGE OF APPLIED SCIENCES

Ilala municipal, Dar es Salaam

12.6.2015

REGARDING LAMECK JAMES CHARLES FIELD WORK IN CONNECTION WITH HIS MASTER'S THESIS AT THE OSLO AND AKERSHUS UNIVERSITY COLLEGE OF APPLIED SCIENCES, NORWAY

This is to confirm that Lameck James Charles (born 2.5.1985) is a fulltime student enrolled in the Master's Programme in International Health Policy and Social Welfare at the Faculty of Social Sciences at the Oslo and Akershus University College of Social Sciences in Oslo, Norway. Lameck has now completed all of the course subjects in this degree and will now start on collecting data for completion of his master's thesis, which is due on in May 2016. This master's thesis is 50ects credits with students expected to write around 80 to 90 pages. The title of Lameck's thesis is "The experiences of retired civil servants in receiving the old age pension from National Social Security Fund (NSSF) in Tanzania."

We wish Lameck the very best with his fieldwork and thank you and your organization for help in assisting him.

Please take contact with me if you need additional information or clarification.

Kind regards,

Stuart Deakin
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Appendix 3: Research permit from COSTECH

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY
(COSTECH)

COSTECH

Ali Hassan Mwinyi Road
P.O. Box 4302
Dar es Salaam
Tanzania

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Director General: (255 - 022) 2700750&2775315
Fax: (255 - 022) 2775313
Email: rclearance@costech.or.tz

RESEARCH PERMIT

No. 2015–209-NA-2015-168 **10th July 2015**

1. Name : **Lameck J. Charles**

2. Nationality : **Tanzanian**

3 Title : **The Experiences of Retired Civil Servants in Claiming their Old Age Pension from National Social Security Fund (NSSF) in Tanzania**

4 Research shall be confined to the following region(s): **Dar es Salaam**

5. Permit validity from: **10th July 2015** to **9th July 2016**

6. Contact /Collaborator: **Mr. Dickson Ndege, Institute of Social Works, P.O. Box 3375, Dar es Salaam**

6. Researcher is required to submit progress report on quarterly basis and submit all Publications made after research.

M. Mushi

for: DIRECTOR GENERAL