



Salaries & Remuneration
Commission

Rewarding productivity

PRESS STATEMENT

2 January 2013

SRC's Position on the Presidential Retirement Benefits (Amendment) Bill

The Salaries and Remuneration Commission was established under Article 230(1) of the Constitution with a clear mandate as outlined in Article 230 (4) to:

- a. Set and regularly review the remuneration and benefits of all state officers (as defined under article 260 on Interpretation); and
- b. Advise the National Government and County Governments on the remuneration and benefits of all other public officers

Whereas the Salaries and Remuneration Commission takes cognizance and appreciates the fact that there is need to award retirement packages to State officers and holders of public offices. The Commission, however, would like to remind all the arms of Government, that the mandate and powers to set and review the remuneration and benefits of all state officers falls squarely on the Salaries and Remuneration Commission, as set out by the Constitution of Kenya, 2010.

In addition **Article 11 (g)** of The Salaries and Remuneration Act provides the Commission with the sole power to make recommendation on matters relating to salaries and remuneration of a particular state or public officers. **Article 11 (f)** of the Act clearly states that it is only Salaries and Remuneration Commission which can make recommendation on the review of pension payable to holders of public officers.

Indeed from the aforementioned, the Presidential Retirement Benefits (amendment) Bill 2012 which proposes to amend the Presidential Retirement Benefits Act of 2003 in order to take into account the inflation trends in the computation of the benefits payable to a retired president is unconstitutional since it does not contain the input and recommendation of the Salaries Commission.

The Commission is also concerned that the Retirement Benefits (Deputy President and Designated State Officers) Bill 2012 that will provide the Vice-President, Prime Minister, and his two deputies, the Speaker, the Deputy Speaker, and other State officers a retirement package is also being debated and possibly enacted in Parliament. The bill was drafted and tabled in Parliament without the input, recommendation and consultation of the Salaries and Remuneration Commission.

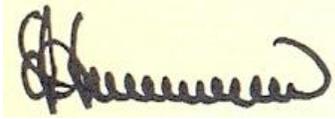
According to the Constitution, any proposal which seeks to set and review salaries, pension and other payments that a state officer or holder of public office is entitled to should be presented to the Salaries and Remuneration Commission for consideration and further action.

The Constitution further provides that the Commission in implementing any proposal pertaining to the remuneration and benefit of the State officers, shall be guided by the principles for determining and advising on remuneration spelt out under Article 230 (5), namely:

- The need to ensure that the total public compensation bill is fiscally sustainable;
- The need to ensure that the public services are able to attract and retain the skills required to execute their functions
- The need to recognize productivity and performance
- Transparency and fairness

Based on the above, the Commission would like to advise the Legislature to exercise caution when the House debate the two bills today and follow due process of Law. It is important that we comply with the Constitution and legal processes and give analysis of the financial implication to the economy in passing such amendments.

In conclusion we would like to restate this latest move violates the Constitution, which vest powers to set salaries and benefits of State officers on an independent institution.

A handwritten signature in black ink on a yellow rectangular background. The signature is cursive and appears to read 'Sarah J. C. Serem'.

Sarah J. C. Serem (Mrs.)
CHAIRPERSON
SALARIES AND REMUNERATION COMMISSION