



## Salaries & Remuneration Commission

Rewarding productivity

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**17<sup>th</sup> December, 2014**

Auditor General  
Controller of Budget  
Director of Public Prosecutions  
Principal Secretaries, All Ministries  
Secretaries of Independent Constitutional Commissions  
Chief Executive Officers/Accounting Officers of All State Corporations and Statutory Bodies  
Vice-Chancellors of all Public Universities  
Secretaries of County Public Service Boards  
Secretary, State Corporation Advisory Committee  
Clerks of All County Assemblies  
County Secretaries, County Governments

### **CAR LOAN AND MORTGAGE SCHEMES FOR STATE OFFICERS AND OTHER PUBLIC OFFICERS OF GOVERNMENT OF KENYA**

The Salaries and Remuneration Commission (SRC) in fulfillment of its constitutional mandate and in exercise of the powers conferred to it under Article 230 of the Constitution and Section 13 the Salaries and Remuneration Commission Act, 2011 has set and advised on the Car Loan and Mortgage benefits for all State officers and other public officers in Kenya.

The approved Car Loan and Mortgage Scheme benefits are expected to facilitate State officers and other public officers to benefit from Government funded loans to purchase cars and access mortgage facilities.

It is expected that implementation of the benefits will motivate public officers and immensely contribute towards attraction and retention of requisite skills in the public service in line with the constitutional principles under Article 230(5) of the Constitution.

The approved benefits will be applied to the intended beneficiaries within the following guidelines:

#### **1. SCOPE AND ELIGIBILITY**

The scope of the Car Loan and Mortgage Scheme shall include all State officers and other Public officers who are currently not enjoying these benefits and who are employed on permanent and pensionable basis for public servants and for State officers who are either on full time or on part-time basis.

#### **2. COMMENCEMENT DATE**

The commencement date shall be 1<sup>st</sup> January 2015.

### 3. IMPLEMENTATION AND ADMINISTRATION OF THE BENEFITS

The Car Loan and Mortgage Scheme for State officers serving in the Executive arm of Government and the Independent Constitutional Commissions shall be administered and managed centrally by the National Treasury.

Due to management efficiency, the Car Loan and Mortgage Scheme benefits for other public officers shall be administered and managed by individual Government Institutions and Agencies such as Commissions, Independent Offices, State Corporations, County Governments, Statutory Bodies and Ministries independently for their employees.

The independent government agencies should therefore, prepare appropriate Regulations to guide the implementation of the benefits for their employees.

### 4. FINANCING

The National Treasury shall provide requisite funds through the MTEF budget process to operationalize the Car Loan and Mortgage Scheme for the State Officers and other public officers.

Individual state agencies employing public officers shall make request for budgetary provisions by the National Treasury to operationalize the Car Loan and Mortgage Schemes for their employees.

County Governments shall set aside the necessary funds through their budget process towards implementation of the Car Loan and Mortgage Benefits to their employees.

Financing may also be arranged through agreements between Financial Institutions and the individual government agency/organ within agreeable framework to both parties.

Each Government agency/organ will administer and manage the schemes internally and the same shall be subjected to the annual audit of Government.

### 5. THRESHOLDS

The following different thresholds for various cadres of State Officers and other Public officers shall apply or as reviewed by SRC

STATE OFFICERS		
BENEFICIARIES	CAR LOAN	MORTGAGE SCHEME
Cabinet Secretary Attorney General Secretary to the Cabinet Chief of Defense Forces (CDF) County Governor Auditor General	Up to Kshs.10 Million	Up to Kshs.40 Million
Principal Secretaries Chairs and Members of Independent Commissions Controller of Budget	Up to Kshs.8 Million	Up to Kshs.35 Million
Director General of National Intelligence Service, Inspector General National Police, Vice of Chief of Defense Forces, Commander of Kenya Army, Commander of Kenya Navy, Commander of Kenya Air Force,	Up to Kshs.6 Million	Up to Kshs.30 Million

Director of Public Prosecution,		
Register of Political parties Secretaries of Independent Constitutional Commissions, Deputy County Governor Chief Executive Officers of Government Agencies Deputy Inspector General, Administration Police Deputy Inspector General, Kenya Police Director, Criminal Investigations Department	<b>Up to Kshs.5 Million</b>	<b>Up to Kshs.25 Million</b>
<b>OTHER PUBLIC OFFICERS</b>		
<b>BENEFICIARIES</b>	<b>CAR LOAN</b>	<b>MORTGAGE SCHEME</b>
Chief Executive Officer of a Government Agency/Organ	<b>Up to Kshs.5 Million</b>	<b>Up to Kshs.25 Million</b>
Civil Service Grades S,T,U and Equivalent grades in Public Service	<b>Up to Kshs.4 Million</b>	<b>Up to Kshs.20 Million</b>
Civil Service Grades P,Q,R and Equivalent grades in the Public Service	<b>Up to Kshs.3 Million</b>	<b>Up to Kshs.15 Million</b>
Civil Service Grades K,L,M, N and Equivalent grades in the Public Service	<b>Up to Kshs.1.5 Million</b>	<b>Up to Kshs.10 Million</b>
Civil Service Grades G,H,J and Equivalent grades in the Public Service	<b>Up to Kshs.800,000</b>	<b>Up to Kshs.6 Million</b>
Civil Service Grades A,B,C,D,E,F and Equivalent grades in the Public Service	<b>Up to Kshs.600,000</b>	<b>Up to Kshs.4 Million</b>

## 6. INTEREST RATE CHARGE

The rate of interest applicable to both the Car Loan and Mortgage Scheme shall be three (3%) per annum on a reducing balance for the duration of the Loan.

## 7. DURATION AND TERMINATION OF THE SCHEME

The duration of the scheme shall be a maximum of twenty (20) years for mortgage schemes and five (5) years for Car Loan.

Where a State Officer or Public Officer leaves public service employment for whatever reason other than disciplinary grounds, the terms of the loan remains in force and does not change for the life of the loan unless in cases of default in which case it reverts to commercial terms.

The purpose of this Circular is to convey the approval of the Commission on the Car Loan and Mortgage Scheme for the State officers and other public officers serving in the Executive arm of the government and Independent Constitutional Commissions for your further necessary action.

Your Office is hereby requested to ensure compliance with the contents of this Circular and bring it to the attention of all employees in your organization for information.



**Sarah J. C. Serem (Mrs.), EBS  
CHAIRPERSON**

**CC:**

Chief of Staff and Head of Public Service

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All Cabinet Secretaries  
Attorney General  
Chairpersons, Constitutional Commissions  
Chairperson, Council of Governors  
Chairpersons County Public Service Boards  
Registrar, Industrial Court of Kenya  
All County Governors  
All Speakers, County Assemblies  
Inspector General, Inspectorate of State Corporations