



Salaries & Remuneration
Commission
Rewarding productivity

PRESS STATEMENT

SRC Opposes The Parliamentary Pensions (Amendment) Bill, 2019

Thursday, 13 August 2020, Nairobi: The Parliamentary Pensions (Amendment) (No. 45) Bill was passed by the National Assembly, and now awaits assent by His Excellency the President of Kenya.

Specifically, the Bill proposes to amend Section 8 of the Parliamentary Pensions Act by inserting the following new sub-section after sub-section (2): *“(3) notwithstanding sub-section (2), a former Member of Parliament who, having served in Parliament between 1st July, 1984 and 1st January, 2001 and is entitled to pension under this section, and whose monthly pension amounts to less than one hundred thousand shillings, shall be entitled to a monthly pension of one hundred thousand shillings”.*

The Salaries and Remuneration Commission (SRC) is opposed to the legislative proposal in the Bill, and will petition His Excellency the President not to assent to it.

SRC is mandated by the Constitution to set and regularly review the remuneration and benefits of all State Officers. Further, the SRC Act, in Section 11(g), vests on SRC the mandate to make recommendations to the government on the review of pensions payable to current and past holders of public offices.

The Bill is therefore in contravention of Article 230 (4) (a) of the Constitution, as pension is an employment benefit, and therefore falls within the mandate of SRC. Any proposal for review of pensions for Members of Parliament should be duly submitted to SRC with justification for consideration.

If the Bill is enacted into law, as proposed, it shall not only pile additional burden to taxpayers, but shall set a precedence and ripple effect for other categories of public officers to demand for equal treatment and fairness. This shall therefore make the public pension liability unaffordable and fiscally unsustainable.

Data from the National Treasury and Planning indicates that the pension expenditure has been on the rise, and is projected to increase. The actual expenditure increased from Ksh 27.9 billion in the Financial Year (FY) 2013/14 to Ksh 86.7 in the FY 2019/20. This figure is expected to cross the Ksh 100 billion mark in the current FY 2020/21.

The implementation of the proposed amendment will, therefore, add into the already high pension expenditure, at the taxpayers cost.

About the Salaries and Remuneration Commission

The Salaries and Remuneration Commission (SRC) was established under Chapter 12, Article 230 of the Constitution of Kenya. Its mandate is: a) To set and regularly review the remuneration and benefits of all State Officers; and, b) To advise the national and county governments on the remuneration and benefits of all other public officers.

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