Bill for Introduction into the National Assembly—

The Presidential Retirement Benefits (Amendment) Bill, 2012........6117
THE PRESIDENTIAL RETIREMENT BENEFITS
(AMENDMENT) BILL, 2012

A Bill for

AN ACT of Parliament to make amendments to the Presidential Retirement Benefits Act to take into account inflation trends and for connected purposes

ENACTED by the Parliament of Kenya, as follows-

1. This Act may be cited as the Presidential Retirement Benefits (Amendment) Act, 2012.

2. Section 2 of the Presidential Retirement Benefits Act, 2003, hereafter referred to as the “principal Act” is amended by inserting the following new definition in its proper alphabetical sequence-

“eligible child” means any child of a deceased entitled person who—

(a) is under eighteen years of age; or

(b) is under twenty-four years of age and is undergoing a course of full time education, or

(c) was at the time of the death of the deceased wholly or mainly dependent on the deceased and was at that time and has at all times since been either a person...
falling within paragraphs (a) and (b) or is incapable, and likely to remain permanently incapable, by reason of bodily or mental infirmity, of earning his own living, and is not for the time being maintained out of moneys provided by the Government in a hospital or similar institution;

3. Section 5 of the principal Act is amended:

(a) in paragraph (a), by deleting the words “one year’s” appearing immediately after the words “a sum equal to” and substituting therefor the words “one and a half years”; 

(b) in paragraph (c), by deleting the words “of two hundred thousand shillings per month” and substituting therefor the words “equal to fifteen per cent of the monthly salary currently paid to the serving President”; 

(c) in paragraph (d), by deleting the words “of three hundred thousand shillings per month” and substituting therefor the words “equal to twenty-three per cent of the monthly salary currently paid to the serving President”; 

(d) in paragraph (g), by inserting the words “at least” immediately after the words “capacity of”; 

(e) in paragraph (h), by deleting the words “of two hundred thousand shillings per month” and substituting therefor the words “equal to fifteen per cent of the monthly salary currently paid to the serving President”; and
(f) in paragraph (i), by deleting the words "of three hundred thousand shillings per month" and substituting therefor the words "equal to twenty-three per cent of the monthly salary currently paid to the serving President".

4. The principal Act is amended by inserting the following new section immediately after section 7-

Children's benefit.

Insertion of new Clause 7A.

7A. Children's pension shall be payable for the benefit of an eligible child where an entitled person dies and-

(a) if there is only one child, pension at the rate of twenty-five percent of the pension entitlement of the entitled person;

(b) if there are two or more children, a pension at the rate of fifty percent of the pension entitlement of the deceased entitled person to be divided equally for the benefit of each child.

5. The Schedule to the principal Act is amended-

Amendment of the Schedule to No. 11 of 2003.

(a) in paragraph (c)-

(i) sub-paragraph (i), by deleting the words "Provided that there shall be a maximum of six security guards"; and

(ii) sub-paragraph (ii), by deleting the words "Provided that there shall be a maximum
of six security guards”;

(b) in paragraph (f), by deleting the word “two” and substituting therefor the word “four”;

(c) in paragraph (g), by deleting the word “two” and substituting therefor the word “four”;

(d) in paragraph (h), by deleting the word “two” and substituting therefor the word “four”;

(e) in paragraph (i), by deleting the word “two” and substituting therefor the word “four”; and

(f) in paragraph (m), by adding the words “for the President and his or her spouse” at the end of the paragraph.

MEMORANDUM OF OBJECTS AND REASONS

The principal object of this Bill is to amend the Presidential Retirement Benefits Act, No. 11 of 2003 in order to take into account the inflation trends in the computation of the benefits payable to a retired President. In this regard, it is proposed to amend section 5 of the Act which provides for the pension and other benefits that a retired President is entitled to by pegging the monthly amounts payable as housing allowance, fuel allowance, utilities allowance and entertainment allowance to a percentage of the monthly salary paid to the President.

Clause 1 of the Bill provides for the short title of the Bill.

Clause 2 of the Bill contains amendments of section 2 of the principal Act by providing for the definition of the “eligible child” to mean any child of a deceased entitled person who—
(a) is under eighteen years of age; or

(b) is under twenty-four years of age and is undergoing a course of full time education, or

(c) was at the time of the death of the deceased wholly or mainly dependent on the deceased and was at that time and has at all times since been either a person falling within paragraphs (a) and (b) or is incapable, and likely to remain permanently incapable, by reason of bodily or mental infirmity, of earning his own living, and is not for the time being maintained out of moneys provided by the Government in a hospital or similar institution.

Clause 3 of the Bill further provides for amendment of section 5 of the principal Act to provide for percentages in computation of the benefits payable to the retired President to address the inflation trends.

Clause 4 of the Bill provides for amendment of the principal Act by inserting a new section 7A with regard to children's benefits.

Clause 5 of the Bill amends the Schedule to the principal Act to address the number of security and other personnel the retired President is entitled to.

The enactment of this Bill shall occasion additional expenditure of public funds to be provided for in the annual estimates.

Dated the 19th December, 2012.

R. N. GITHAE,
Minister for Finance.
Section 5 of Act No. 11 of 2003 which it is proposed to amend

5. Pension and other benefits

A retired President shall, during his lifetime, be entitled to-

(a) a lump sum payment on retirement, calculated as a sum equal to one year's salary for each term served as President;

(b) a monthly pension equal to eighty per cent of the monthly salary currently paid to the President;

(c) an entertainment allowance of two hundred thousand shillings per month;

(d) a housing allowance of three hundred thousand shillings per month to cater for both urban and a rural dwelling;

(e) suitable office space, not exceeding one thousand square metres, with appropriate furniture, furnishings, office machines, equipment and office supplies, to be provided and maintained by the Government;

(f) two new cars of the retired President's choice, replaceable every three years, each car having an engine capacity not exceeding three thousand cubic centimeters;

(g) two four-wheel drive motor vehicles of the retired President's choice, replaceable every three years, each vehicle having an engine capacity of three thousand, four hundred cubic centimeters;

(h) a fuel allowance of two hundred thousand shillings per month;

(i) an allowance of three hundred thousand shillings per month for electricity, water and telephone facilities;
(j) full medical and hospital cover, providing for local and overseas treatment, with a reputable insurance company for the retired President and his spouse and his children under the age of eighteen years;

(k) the additional benefits set out in the First Schedule.

The Schedule of Act No. 11 of 2003 which it is proposed to amend-

THE SCHEDULE  

(s. 5 (k))

ADDITIONAL RETIREMENT BENEFITS FOR RETIRED PRESIDENTS

(a) Two personal assistants;

(b) four secretaries;

(c) four messengers;

(d) four drivers;

(e) (i) such number of guards for personal and escort unit use as may from time to time be certified by the Minister responsible for national security in consultation with the retired President:

Provided that there shall be a maximum of six security guards;

(ii) adequate security at the retired President's urban and rural residences as may from time to time be certified by the Minister responsible for national security in consultation with the retired President:

Provided that there shall be a maximum of six security guards;

(f) two cooks;
(g) two housekeepers;

(h) two gardeners;

(i) two laundry persons;

(j) four house cleaners;

(k) office maintenance;

(l) maintenance expenses of vehicles;

(m) a diplomatic passport;

(n) local travel;

(o) international travel allowance of up to four trips a year not exceeding two weeks each; and

(p) access to the V.I.P. lounge at all airports within Kenya.