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**REPUBLIC OF KENYA
NATIONAL ASSEMBLY
NINTH PARLIAMENT – SECOND SESSION**

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**REPORT
OF THE
DEPARTMENTAL COMMITTEE
ON
FINANCE, PLANNING & TRADE**

**ON
THE PRESIDENTIAL RETIREMENT
BENEFITS BILL, 2003**

OCTOBER, 2003

1.0 INTRODUCTION

Mr. Speaker Sir, on behalf of the Members of the Departmental Committee no. F on Finance, Planning and Trade and pursuant to the provisions of Standing Order N. 101 (3), I would like to take this opportunity to present to the House, the Report and recommendations of the Committee on the Presidential Retirement Benefits Bill, 2003.

The functions of the Departmental Committee as established under Standing Order No. 151 are *inter alia*:-

- (i) *to study and review all legislation after First Reading subject to the exemptions under Standing Order No. 101 A (4)***
- (ii) *to investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary and as may be referred to them by the house or a Minister.***
- (iii) *to make reports and recommendations to the House as often as possible including recommendations of proposed legislation.***

The Presidential Retirement Benefits Bill, 2003 was referred to the Departmental Committee on Finance, Planning and Trade upon a motion moved by the Minister for Finance pursuant to the provisions of Standing Order No. 101(1).

2.0 DELIBERATION ON THE PRESIDENTIAL RETIREMENT BENEFITS BILL, 2003

The Committee deliberated on the Bill as follows:-

- Clauses 1-4 - Agreed to.
- Clause 5 - Amendments proposed.
- Clause 6 - Agreed to.
- Clause 7 - Amendment proposed.
- Clauses 8 -12 - Agreed to.
- Schedule - Amendment proposed.

3.0 THE PRESIDENTIAL RETIREMENT BENEFITS BILL, 2003 – (PROPOSED AMENDMENTS)

- Clause 5(a) - THAT, the following words be inserted after the word “*president*”.

“for a maximum of two terms”
- Clause 5(c) - THAT, the words “*not exceeding*” be deleted and insert in place thereof the word “*of*”.
- Clause 5(d) - THAT, the sub-clause be amended to read as follows:

“ a housing allowance of three hundred thousand shillings per month to cater for both urban and rural dwelling”.

- Clause 5(f) - THAT, the words “*or equivalent*” be inserted after the word “*cars*”.
- Clause 5(h) - THAT, the words “*not exceeding*” be deleted insert in place thereof the word “*of*”.
- Clause 5(j) - THAT, the following words be inserted after the word “*spouse*”.
- “ and children under 18 years”
- Clause 7 - THAT, the words “and *other benefits*” appearing at the end be deleted.
- SCHEDULE - THAT, the Schedule be amended as follows:
- (b) two secretaries
 - (c) two messengers
 - (d) three drivers
 - (j) two house cleaners

4.0 PROPOSED NEW CLAUSES

THAT, the Presidential Retirement Benefits Bill, 2003 be amended by inserting the following **New Clauses:**

(i) CLAUSE 13 - Vice President Retirement package

Pension

80% of the Salary of the incumbent (tax free). This pension will be applicable after serving for one term as a vice-president.

Winding Up Allowance

One year’s salary amounting to Kshs. 3.6 million (non taxable) payable per term subject to a maximum of two terms totalling Kshs. 7.2 million.

- House Allowance** - Kshs. 200,000/- per month
- Security** - two armed security guards
- Transport** - One Mercedes Benz or a vehicle of equivalent value to be maintained by the State.
- Monthly Petrol allowance of Kshs. 50,000/- and two drivers
- Health** - Full medical cover through a reputable Health Insurance Company for both local and overseas treatment including the spouse.
- Travel** - Diplomatic passports for a retiring Vice-President and spouse to be provided.
- Incase of death, the spouse shall be entitled to 50% of the total package for life.
- If the office holder is in the office for less than one term, then he/she will be entitled to only a gratuity equivalent to one year's salary and a Winding Up Allowance proportional to the period served as Vice-President.

(ii) CLAUSE 14 - The Speaker Retirement package

Pension

80% of the Salary of the incumbent (tax free). To qualify for pensionable benefits, the office holder should have served for one term.

Winding Up Allowance

One year's salary amounting to Kshs. 3.6 million (non taxable) payable per term subject to a maximum of two terms totalling Kshs. 7.2 million.

House Allowance - Kshs. 200,000/- per month

Security - two armed security guards

Transport - One Mercedes Benz or a vehicle of equivalent value to be maintained by the State.

- Monthly Petrol allowance of Kshs. 25,000/- and one driver.

Health - Full medical cover through a reputable Health Insurance Company for both local and overseas treatment including the spouse

Travel - Diplomatic passports for a retiring Vice-President and spouse to be provided.

Incase of death, the spouse shall be entitled to 50% of the total package for life.

If the office holder is in the office for less than one term, then he/she will be entitled to only a gratuity equivalent to one year's salary and a Winding Up Allowance proportional to the period served as Speaker.

- (iii) **CLAUSE 15 - Lumpsum payment to Members**
A Winding Up Allowance of Kshs. 1.5 million be paid to Members of Parliament per term subject to a maximum of two terms totalling Kshs. 3.0 million.

5.0 CONCLUSION

The Committee recommends that the House adopts its Report on the Presidential Retirement Benefits Bill, 2003 together with the recommendations contained therein.

Mr. Speaker Sir, may I take this opportunity to thank Members of the Committee for their valuable contributions during the deliberations on the Presidential Retirement Benefits Bill.


Hon. Soita Shitanda, MP
Chairman of the Departmental Committee on
Finance, Planning and Trade

Date  22/12/03