

From the Team

February 2023

Kenya – NSSF contribution increase

Following the ruling of the Court of Appeal on the NSSF Act No. 45 of 2013, the National Social Security Fund (NSSF) has asked all employers to immediately comply with the court verdict that allowed an increase in monthly contributions to take effect.

The new rates will see both the employee and the employer contribute to a maximum total of Ksh 2 160.00, increased from Ksh 400.00.

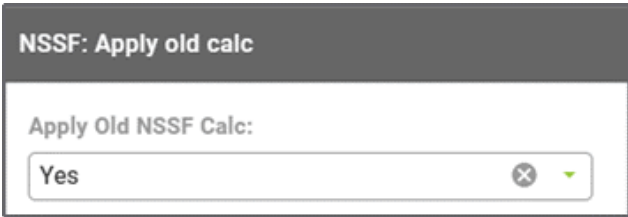
In a statement issued by NSSF Chairman Antony Munyiri, all employers who have been complying with the NSSF Act No. 45 of 2013 are urged to continue doing so, while those who are not should immediately comply as advised.

According to NSSF, every employer will be required to remit the new amount by the 9th of every month.

Click [here](#) for the press release.

Paymaster Impact

- Customers need to deactivate the “NSSF: Apply old calc” note component if applicable:



The screenshot shows a dark grey header with the text "NSSF: Apply old calc". Below the header is a white box containing the text "Apply Old NSSF Calc:" followed by a dropdown menu. The dropdown menu is currently set to "Yes" and has a small 'x' icon and a downward arrow on the right side.

- The NSSF Tier 1 and Tier 2 contributions will then calculate accordingly:

Allowances					Deductions				
Component name	Tax code	Qty	Amount		Component name	Tax code	Qty	Amount	
* Basic Pay	SAL	176	40 000.00		NHIF Employee Contribution	NHF		1 000.00	
					NSSF Tier 1 Contribution Employee	NSSFEE1		360.00	
					NSSF Tier 2 Contribution Employee	NSSFEE2		720.00	
Total: 40 000.00					Total: 2 080.00				
					Total Net Pay: 37 920.00				
Company Contributions					Fringe Benefits				
Component name	Tax code	Qty	Amount		Component name	Tax code	Qty	Amount	
National Industrial Training Authority (NITA) Levy	NITA		50.00		No data				
NSSF Tier 1 Contribution Employer	NSSFER1		360.00						
NSSF Tier 2 Contribution Employer	NSSFER2		720.00						

- If this component is not deactivated, the NSSF contributions will not be split correctly as per legislation:

Allowances					Deductions				
Component name	Tax code	Qty	Amount		Component name	Tax code	Qty	Amount	
* Basic Pay	SAL	176	40 000.00		NHIF Employee Contribution	NHF		1 000.00	
					OLD: NSSF Employee	NSSFEE		200.00	
Total: 40 000.00					Total: 1 200.00				
					Total Net Pay: 38 800.00				
Company Contributions					Fringe Benefits				
Component name	Tax code	Qty	Amount		Component name	Tax code	Qty	Amount	
National Industrial Training Authority (NITA) Levy	NITA		50.00		No data				
OLD: NSSF Employer	NSSFER		200.00						