



REPUBLIC OF NAMIBIA

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MINISTRY OF LABOUR, INDUSTRIAL RELATIONS AND EMPLOYMENT CREATION

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## NATIONAL ASSEMBLY QUESTIONS

~~MINISTERIAL STATEMENT ON THE MOTION:~~

**POSSIBILITY OF INCREASING THE AMOUNT PAYABLE IN  
RESPECT OF MATERNITY LEAVE, PAYING WOMEN FULL  
SALARIES, EXTENDING MATERNITY LEAVE UP TO FIVE (5)  
MONTHS WITH FULL PAY AND INCLUDING PATERNITY  
LEAVE IN THE LEGISLATIVE FRAMEWORK.**

**BY**

**UTONI NUJOMA, MP**

**DATE: 02 NOVEMBER 2023**

**Thank you, Honourable Speaker,** on 19 September 2023, Honourable Winnie Moongo (PDM) raised a Motion to discuss the possibility of increasing the amount payable in respect of the maternity leave, paying women their full salaries, extending maternity leave up to five (5) months with full pay and including paternity leave in the legislative framework.

### **Honourable Members,**

The Social Security Commission (SSC) established by an Act of Parliament, Social Security Act (Act No. 34 of 1994) (Act), is responsible for administering social security programs, including pensions, disability grants, and survivor benefits. Further, its mandate is to protect insured working Namibians from loss of income arising from sickness, maternity, disability and retirement, or death of ensured members through schemes based on social insurance principles.

The Act requires that all employers and employees be registered as members under the two (2) Funds, Maternity, Sick and Death Benefit Fund (MSD Fund) as well as the Employee Compensation Fund (EC Fund) with the provision of income replacement in times of temporary shocks where the member loses income due to being on unpaid sick leave or on unpaid maternity or suffers a permanent disablement or fatality arising out of occupational injury.

The SSC has over the years periodically increased the benefits paid under the MSD Fund. The previous maximum contribution of N\$108 (N\$54 per employee and N\$54 per employer) at a basic wage of N\$6,000.00 was increased to N\$162 (N\$81 per employee and N\$81 per employer) for employees whose monthly earnings are N\$9 000 and above. For employees earning below N\$9 000 per month, the monthly employee and employer

contributions are being calculated at 0.9% of the monthly basic wage. This increase from N\$108.00 to N\$162.00 in 2013 remains in force to date.

### **1. Increasing the amount payable in respect of the maternity leave and paying women their full salaries**

The current benefit paid for maternity leave is N\$15,000.00 which was increase from N\$13,000.00 effective 25 March 2022.

The Social Security Commission appoints Actuaries to perform annual statutory valuation of its Funds in terms of section 17 of the Act. The valuations provide information as to the sustainability of the Funds.

Based on the Actuarial recommendations, benefit ceiling enhancements are considered. The Social Security Commission has over the years increased the benefit paid without any corresponding adjustments to the contributions payable by the Employer.

The Actuarial analysis and advice inform us that it is not recommended to completely remove the insurable earning ceiling on maternity leave benefits yet, as the impact of removing the insurable earning ceiling is expected to be detrimental to the MSD fund at this stage. The alternative is to increase the insurable earning ceiling gradually over time to ensure sustainability of the funds, which can be corrected in the event of adverse economic circumstances such as Covid-19.

The Social Security Commission is currently legally mandated to only cover the following per Section 26 (4) of the Labour Act (Act No. 11 of 2007)

***(4) The Social Security Commission established by the Social Security Act, 1994 (Act No. 34 of 1994) must, during the period that an employee is on maternity leave, pay to that employee such portion of that employee's basic wage as may be prescribed in terms of that Act.***

## **2. Extending maternity leave up to five (5) months with full pay**

The Labour Act (Act No.11 of 2007) is under review. The provisions of extended maternity leave can be considered. The payment of full pay during the period of maternity leave would require an actuarial valuation.

## **3. Including paternity leave in the legislative framework**

The current national legislative framework in particular the Labour Act (Act No.11 of 2007) does not cater for Paternity Leave. The Labour Act (Act No.11 of 2007) is under review. It is noted that the issue of paternity leave should be possibly included.

Hon. Speaker, fellow Members, I so submit!

