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Report of the Committee  
on  
Terms and Conditions  
of  
Service for Members of the  
National Assembly

*Chairman:* Mr. William Odongo Omamo, F.C.I.B.

Presented to  
His Excellency the President

NOVEMBER, 1994



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# Report of the Committee

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### National Assembly

November, 1994



## **Acknowledgements**

We wish to express our gratitude to all those who contributed to the successful completion of our assignment.

We also wish to record our sincere appreciation to our Secretary, Mr. Japhet K. Masya, who is also the Clerk of the National Assembly; Mr. Joel H. Tsola, Acting Deputy Clerk of the National Assembly; Mr. Kiriinyah Mukiira, Under Secretary/Principal Finance and Establishment Officer, National Assembly; and Mr. Justin N. Bundi, Senior Clerk Assistant, National Assembly, for the invaluable assistance they gave to the Committee.

Finally, we are also grateful to the secretaries Mrs. Fidelma Munyao, Miss Caroline Onyango and Mr. Joseph Kimani who typed the Report, and all other members of staff of the National Assembly who assisted us in one way or another.



**Your Excellency,**

Your Excellency appointed us a Committee to review the Terms and Conditions of Service for Members of Parliament

Your Excellency considered the subject matter of our review to be urgent and, accordingly directed the Committee to complete its work and report to you promptly. The Committee in compliance with your directive, undertook the enormous task with all dispatch possible and we are happy to have been able to complete this important task within the deadline set for us

In carrying out its task the Committee received submissions, both oral and written, from various personalities from both the public and private sectors, politicians and representatives of political parties represented in Parliament. The Committee also reviewed various pertinent Government documents and previous reports of the committees appointed to review salaries and allowances for Members of Parliament.

The Committee has now completed its work and has the honour and privilege to submit the report of its findings and recommendations which it hopes Your Excellency will find worthy of your trust in our appointment. We take this opportunity to express to Your Excellency our sincere gratitude for the honour and privilege that you bestowed upon us and to further express our loyalty and highest esteem.

We are Your Excellency's most Obedient Servants,

Dr. William Odongo Omamo, EGH.	-	Chairman	.....
Dr. Julius Gikonyo Kiano, EGH	-	Member	.....
Mr. Sam Muumbi	-	Member	.....
Mr. Adiel Mwanganda Kachila	-	Member	.....
Mrs. Mary Kiptanui	-	Member	.....
Mr. Japhet K. Masya	-	Secretary	.....

Dated this                      day of                      1994

## **CHAPTER 1**

### **INTERPRETATION OF TERMS OF REFERENCE**

The Committee to review the Terms and Conditions of Service of the Members of Parliament was appointed by His Excellency the President on the 7th October, 1994 and was charged with the following broad mandate:

To Review Terms and Conditions of Service for Members of Parliament within the existing financial constraints and within the provisions of the Financial Statement (Budget) 1994/95.

The Committee considered the above Terms of Reference and found them broader than those of previous Committees charged with the reviews of salary and allowances of Members of Parliament. Between 1981 and 1992, there have been three Committees appointed by H.E. the President to review the various aspects of remuneration of Members of Parliament. All the three Committees had two identical Terms of Reference, namely:

- (i) To examine the current salaries and allowances payable to all Members of Parliament with a view to recommending adjustments to meet the increase in the cost of living.
- (ii) To study the existing system of remuneration for Members of Parliament and recommend any necessary improvement in the system.

The first review Committee for remuneration of Members of Parliament appointed from outside Parliament was the Slade Committee of 1981. This was followed by the Okero Committee of 1986. The last Committee was appointed in 1991 (produced its Report in March, 1992) and is commonly referred to as the Julia Ojiambo Committee. As indicated above, the Terms of Reference for all these Committees were identical and their findings and recommendations were to a large extent confined to these two areas. Unlike in the past when the main thrust was to determine salaries and allowances of Members of Parliament and the mode of payment, this Committee seems to be vested with broader mandate in its Terms of Reference than the previous Committees. In our opinion, the Committee's Terms of Reference embrace benefits other than those already payable to various categories of Members of Parliament as well as working conditions and environment which are conducive to enabling Members discharge their enormous legislative responsibilities.

In this regard, we consider matters such as office accommodation, secretarial services, entertainment allowance, insurance and medical schemes, and research assistants to be of relevance in enabling Members to carry out their legislative and developmental functions effectively and efficiently. Consequently, our interpretation of the Terms of Reference has three dimensions. The first dimension is the review of the present structure of the salary and allowances of Members of Parliament. The subject of

determining remuneration for Members of Parliament is technically complex and politically sensitive. This is essentially so because the Government has to balance its desire to recognize the Members responsibility to Parliament and the nation in general and its responsibility to the tax-payer.

The Committee has, therefore, no illusion that the task of determining the remuneration for Members will require striking a delicate balance between these two conflicting interests.

The second dimension of our Terms of Reference is based on the principle that a democratic system of Government requires that its citizens be satisfied that those they elect are enabled to operate without hindrance. This dimension therefore requires the Committee to consider the working conditions and environment under which Members of Parliament operate. The Committee must reflect on how best to maximize the contribution of Members both in and outside the House and in the law formulation process in general, bearing in mind that good legislation is encouraged by broadening the base of parliamentarians' involvement and understanding of the society.

The third dimension of the Committee's task revolves around the changes which have taken place in our Parliament with the re-emergence of multi-party democracy. The previous review Committees only dealt with salaries and allowances of a single party Parliament whose interests and those of the Government were obviously intertwined. In a multi-party parliamentary system, there are classifications of Members which are not found in a single party Parliament. Thus with the re-introduction of multi-party system in our country, new terminologies such as the Leader of the Official Opposition, the Official Opposition Whip, etc., have emerged. The Committee took cognizance of the fact that multi-party system is now a prominent feature in our country. It further noted that an office such as that of the Leader of the Official Opposition has already been recognized in the Standing Orders of the House. The Committee was informed that whereas it is a common practice within some jurisdictions of the Commonwealth to remunerate the Leader of the Official Opposition and his Whip, it is not the case here as yet.

In the process of gathering evidence, the Committee was regularly reminded that the present mode of determining the remuneration for Members of Parliament was not one of the best. Most people interviewed emphasized the need to have a permanent body specifically charged with periodical but regular review of terms and conditions of service for Members of Parliament. Those interviewed strongly felt that the time was opportune to establish a permanent mechanism whose mandate would be to review the terms and conditions of service, not only for Members of Parliament but for staff as well. The Committee has considered all these issues appropriately and has made the necessary recommendations



## CHAPTER II

### BASIS FOR THE REVIEW OF TERMS AND CONDITIONS OF SERVICE FOR MEMBERS OF PARLIAMENT

For some historical reasons, Members of Parliament are subject to a systematic review of terms and conditions of service that reflect their unique constitutional relationship with the Civil Service. Thus the machinery for determining Members' remuneration has all along followed soon after similar reviews for the Civil Service. It was not a coincidence, therefore, that the Waruhiu Commission of 1980 was soon followed by the Slade Committee of 1981; the Ramtu Commission of 1985 was followed by the Omolo Okero Committee of 1986; and the Mbithi Commission of 1991 was followed by the Julia Ojiambo Committee of 1992.

The last review of the terms and conditions of service for the Civil Service was not as a result of a Committee but was as a result of a provision made by the Minister for Finance during his 1994/95 budget speech. In his financial statement delivered to Parliament on 16th June, 1994, the Minister stated:

"Government is aware of the need to compensate civil servants at least partly for past increases in the price level. The expenditure proposals I am presenting to-day include provisions for a general 6% increase across the board for all civil servants and teachers; in addition, funds have been earmarked for a differential salary increase of 10% for Job Groups 'K' to 'T' and an enhancement of the benefits package particularly for medical benefits for all civil servants".

As a result of this review, and taking into account previous precedents, it was expected that pressure would bear upon the Government for review of salary and allowances for Members of Parliament. From the economic point of view, it is necessary to determine the extent to which the Members of Parliament have been affected by the adverse economic situation which the country experienced over the last two years. In his budget speech, the Minister for Finance acknowledged that "the most distressing aspect of the turbulence in the economic sphere which we passed through in 1993 was the rapid escalation of prices. The rate of inflation in 1993 was 46%, compared to 27.3% in 1992". Foremost among the factors responsible for this extremely high rate of inflation were the massive depreciation of the Kenya Shilling, the rapid growth in money supply, fall in agricultural output and the stagnation of overall domestic production.

It needs no emphasis, therefore, that the standards of living of Members of Parliament have been seriously affected as measured by the composite Nairobi consumer price indices. Our review of the prevailing salary and allowances of the Members will consequently be directed towards compensating them for the increases in the cost of

living as ascertained by consumer price indices. The Committee is fully aware that no amount of monetary rewards can adequately compensate Members for the heavy responsibility they shoulder in the economic and political development of this nation. The Committee further noted that Members are not necessarily motivated by financial or material rewards when they seek elective positions. Rather, they are motivated by patriotic zeal to serve their people and country, which in itself is a sacrifice that any patriotic citizen should be proud of. Any remuneration given to Members of Parliament is therefore more of a token of appreciation of their contribution in nation building than compensation for their work. The Committee however felt that the Members of Parliament have responsibility to take deliberations seriously at all times and should avoid token appearances in the House and in the Committees.

### CHAPTER III

### RECOMMENDATIONS

#### **Salary**

The duties of a dedicated Member of Parliament are wide-ranging and demanding in terms of time and energy. Payment of Members therefore should reflect not only the status and position of Members but the importance, responsibility, difficulty and constancy of their work. In this context it is recognized that Members are occupied full-time in their parliamentary and constituency duties and that most of them are virtually fully dependent on their parliamentary salary. In its observations, the Slade Committee of 1981 on the review of salaries and allowances of Members noted that although some Members will have already acquired independent sources of income before they come to Parliament "there will be others who have had to give up their only sources of income in order to become Members, and must therefore receive as such a salary which enables them to maintain a reasonable standard of living".

The Slade Report also contains the following statement of principle in relation to the payment of Members. "It is necessary to recognize both the status of Members of Parliament and the burdens of responsibility, effort and anxiety which they carry; but they should serve with dedication, and part of their reward should lie in the honour and interest of that service". Writing some five years later, the Omolo Okero Committee echoed the sentiments expressed by the Slade Committee to the effect that the duties and responsibilities of a Member of Parliament are onerous and could not be quantified in terms of rewards or compensation. We would like to reiterate the same sentiments. Noting these important sentiments, however, it is our considered opinion that, having vested upon the Members of Parliament with such heavy responsibility the electorate should be prepared to accord their elected representatives some remuneration which is not so low as to lower their dignity and social status.

The Committee received strong representations that the current salary for Members of Parliament is too low and does not reflect their enormous responsibilities to this nation. Neither can it enable them to live decent lives. It was pointed out that although the rate of inflation rose from 27.3% in 1992 to 46% in 1993 leading to an escalation of prices of consumer and other essential commodities, no adjustments had been made on the Members remuneration to cushion them against these adverse economic hardships. Thus the standards of living of Members have been adversely affected when measured against consumer price indices. After reviewing all the facts presented before us, we recommend an increase in salaries of Members from the present level by 88 per cent for the Vice-President, Speaker, Minister, Deputy Speaker, Assistant Minister, Elected and Nominated Member. A summary of this increase is shown at Annexe 1.

### **Responsibility Allowance**

The contributions of Members of Parliament in the economic, political and social development of this country need no emphasis. By tradition and practice, our Members are not just legislators as the case in other democracies, but some are also initiators of development projects and social programmes to improve on the well-being of the electorate. With the re-introduction of multi-party politics, the responsibilities of Members have become even more difficult as they have to continuously sell the policies and manifestos of their respective political parties to the electorate.

The Committee was informed that the lives of Members have become burdensome due to additional financial demands brought about by multi-partism and the harsh economic conditions which have led the electorate to look upon their elected leaders for material support. After collating all evidence presented to us, it became apparent that there was a strong case for the enhancement of this allowance. In making our recommendation, we have also taken cognizance of the fact that the responsibilities and status of Speaker, Ministers, Deputy Speaker and Assistant Ministers cannot be equated with those of backbenchers and therefore deserve higher recognition by way of remuneration.

To enable the Members to support the needy and also initiate, plan, implement and monitor development projects in their constituencies, the Committee felt that the current level of this allowance need boosting to relief the financial burden of the Members. Accordingly, the Committee recommends that the present level of this allowance be enhanced by 20 per cent across the board. The details of the proposed increase is set out in Annexe 1

### **House/Accommodation Allowance**

If there was any one issue on which we received unanimous views, it was the need to enhance the House/Accommodation Allowance. The Committee received strong views

that the kind of House/Accommodation Allowance the Members were getting was very low and could not enable them to secure decent and secure accommodation anywhere in the city. It was pointed out that the dignity of Members should be upheld and their security maintained.

Strong views were also expressed to the effect that some Members especially the Cabinet Ministers have their own houses in Nairobi and would like to live in them if the allowance was improved. However, due to the current level of the allowance, they are forced to lease their own houses and then ask the Government to accommodate them in rented houses which cost more to the Government.

The Committee noted that there are two forms of allowances payable to Members of Parliament to cater for their accommodation, namely the House Allowance and the Accommodation Allowance. The House Allowance is payable only to the Vice-President, Speaker, Ministers, Assistant Ministers and the Deputy Speaker since they hold public offices and they are expected to be on duty throughout. On the other hand, Accommodation Allowance is payable to both Elected and Nominated Members who are only expected to come to Nairobi either to attend parliamentary sessions or meetings of the Committees of the House. They are not, therefore, expected to maintain permanent accommodation in Nairobi.

Based on these two scenarios, the Committee received evidence that the current market rate for a decent hotel room including full board averages Kshs.3,500. The market survey of rentals for a standard 4-5 bedroomed upper income residential house in Nairobi showed an average monthly rent of Kshs.66,250. After considering these facts, the Committee came to a consensus that there was a persuasive need to improve on the present rates of these two allowances to enable Members secure decent and secure accommodation which is commensurate with their social status and responsibilities to this nation. Accordingly, the Committee has recommended that both House and Accommodation allowances be substantially increased. The details of the proposed increase are shown in Annexe 1

### **Sitting Allowance**

Historically this allowance was paid on attendance of the Member in the House. The Committee learnt that the last time this allowance was increased was in 1981 by the Slade Committee. After considering all the views expressed by Members, we recommend an increase of the allowance by 50 per cent in order to compensate Members for the substantial increases in the cost of living which have taken place since the last time when it was reviewed upwards

## Transport Allowance

The Committee was informed that, on the recommendation of the Sessional Committee, the Government introduced a commuted Transport Allowance of Kshs.15,000 per month payable to all Members of Parliament with effect from 1st July, 1993. The allowance was intended to cushion Members against the high interest rates on car loans and also depreciation on their vehicles. The Committee noted that this allowance is not covered under the provisions of the National Assembly Remuneration Act, Cap.5, which makes it easier for the Sessional Committee to review it as and when the need arises. The Committee recommends that since this allowance was introduced only last year and a mechanism does exist to review it administratively, the status quo be maintained.

The Committee also considered strong representations to the effect that the current travelling mileage allowance for Members is low and does not reflect the escalating maintenance costs. The rates are based on the engine capacity of the car per kilometre covered and also takes into account the road conditions in various parts of the country. These rates were reviewed last year and took effect from 1st July, 1993 as follows:

<u>Vehicle Capacity</u>	<u>Rates per kilometre</u>
<b>(Rates for Good Roads)</b>	
1951 cc and over	7.50 per km.
1351 - 1950	7.20 per km.
951 - 1350	6.90 per km.
950 cc and under	6.70 per km.

<u>North-Eastern Province (Rough Roads)</u>	<u>Rates Per Kilometre</u>
1951 cc and over	8.10 per km.
1351 - 1950	7.50 per km.
951 - 1350	7.45 per km.

(The rates become applicable after 50 kilometre distance from Parliament Buildings)

However, the payment of this allowance is not provided for in Cap 5 but it is nevertheless regularly reviewed by the Sessional Committee when the need arises. The Committee, therefore, recommends that since it was reviewed only last year, there is no merit to review it for the time being. The Committee further recommends that the current arrangement of reviewing the allowance by the Sessional Committee continues.



The Committee considered the issue of the number of trips that a Backbencher can claim if a Recess is more than one month. It was noted that the Ojiambo Committee had increased the number of trips from two to four. We consider the four trips currently allowed to be adequate for Members to travel to Nairobi to consult with Ministers and Government officials and, accordingly we recommend the status quo remains.

## **Constituency Allowance**

The Committee noted that strong arguments had been presented to the Ojiambo Committee to consider recommending Constituency offices for Members of Parliament in order to enable them bring their services nearer to their electorate. The Ojiambo Committee considered this proposal and supported it but felt that the responsibility of building such an office be borne by the respective political party so that it remained a public office to be used by whoever happened to represent the constituency. During the multi-party era, the idea of political parties establishing their own party offices to service their respective Members has merit.

After considering all the views expressed by the Members of Parliament and other prominent personalities who appeared before our Committee, we have formed the opinion that Members should be assisted financially in order to be able to make more extensive tours of their constituencies, to review development projects as well as to listen to problems of the electorate and also to consult them on how best to represent their views and wishes in Parliament. The Committee, therefore, feels that a modest increase of 20 per cent in the present rate of this allowance will be adequate to assist Members in improving their services to the electorate.

## **Attendance Allowance**

The Committee noted that this allowance is paid to Members of Parliament who are backbenchers for attending Parliamentary Committees' meetings when the House is not in session. The allowance is provided for in the National Assembly Remuneration Act, Cap.5 as follows:

<b>Chairman</b>	-	<b>K£60 per sitting</b>
<b>Member</b>	-	<b>K£50 per sitting</b>

The Committee was informed that due to escalating price increases over the last two years, the Treasury reviewed the allowance upwards with effect from 1st July, 1994 subject to ratification by Parliament as follows.

<b>Chairman</b>	-	<b>K£175 per sitting</b>
<b>Member</b>	-	<b>K£150 per sitting</b>

The Committee fully endorses the action taken by the Treasury. The Committee strongly recommends that this allowance be removed from the provisions of the Act to enable the Sessional Committee to review it as need arises.

## **Car Loans**

Members of Parliament are entitled to a maximum car loan of Kshs.600,000 payable within the life of current Parliament. They are also entitled to import or buy one vehicle tax exempt in any one term of Parliament. The car advances are provided by the National Bank of Kenya and are guaranteed by the Government. Since the loans are provided by a commercial bank they are redeemed at market interest rates.

The Committee received strong representations calling for a review of car loans in view of the escalating prices of motor vehicles. Proposals were also made for subsidising the interest rates by setting up a Revolving Fund to be administered by the National Assembly. The Committee noted that the rate of car loans was reviewed last year by the Sessional Committee and increased from Kshs.300,000 to Kshs.600,000. We recommend that the status quo be maintained for the time being. However, should there be need to review the rate further, then the review should be done administratively by the Sessional Committee

With regard to interest free loans, the Committee is of the view that this would not be prudent at this time. Furthermore, the duty free facility entitled to Members is considered adequate subsidy by the taxpayers

## **Entertainment Allowance**

A proposal was floated to the Committee to consider recommending an entertainment allowance for both the Leader of Government Business and the Leader of the Official Opposition to enable them entertain various dignitaries, both local and foreign, who visit them.

The Committee considered the proposal and reached a consensus that it had merit considering their heavy responsibilities in the House. The Committee, however, felt that recommending payment of non-accountable entertainment allowance will not be prudent at this point in time. Consequently, we recommend that an appropriate provision be made under the National Assembly Vote which should cater for limited entertainment expenses for both the Leader of Government Business and the Leader of Official Opposition. The modalities of how this provision should be managed should be left to the Accounting Officer of the National Assembly to work out.

## **Establishment of a Parliamentary Remuneration Review Committee**

The Committee observed that it has been a practice that whenever an ad hoc Committee is appointed to review terms and conditions of service for the Civil Service, a similar arrangement is put in place with regard to terms and conditions of service of Members of Parliament. Almost every person who appeared before our Committee or sent memorandum put a strong case for the establishment of a permanent mechanism for determining terms and conditions of service of Members on regular basis instead of the current practice of appointing ad hoc committees. The arguments presented to the Committee invariably pointed towards the establishment of a Parliamentary Remuneration Review Committee.

The Committee was further asked to address itself to the plight of staff of the National Assembly who have to put long hours of work to ensure that the legislative process is carried out smoothly and without any impediments. The Committee received strong representations that the duties of the staff of National Assembly cannot be equated or even compared with those of their counterparts in the other departments of the Civil Service. It was the feeling of those who spoke on this issue that these special circumstances of the members of staff of the National Assembly ought to be recognized in their terms and conditions of service. It was pointed out that the only way in which this special status could be recognized is through the establishment of an independent Parliamentary Service Commission, along the lines of the Public Service Commission and the Judicial Service Commission, to determine the terms and conditions of service of the members of staff.

We carefully considered the two views and found them to have merit. With regard to the first proposal of a permanent committee to review salaries and allowances of Members of Parliament, we noted that apart from recommending actual changes in salary and allowances/entitlements of Members, all the previous three review Committees recommended that consideration be given to the establishment of a permanent committee to review and make recommendations on future adjustments of salary and allowances to Members. We strongly recommend that this proposal be considered seriously by the Government. Regarding the second proposal for the establishment of an independent Parliamentary Service Commission to determine terms and conditions of service of staff, the Committee noted that the matter is before the Speaker's Committee which is the best forum to deal with the matter.

## **Parliamentary Pensions Scheme**

All Members of Parliament contribute to a compulsory retirement pensions scheme under which benefits are paid to former Members, their widows/widowers and dependent children. The superannuation scheme is administered by the Treasury and has a Management Committee which consists of eight members. Contributions are a

fixed percentage of the pensionable emoluments. The pensionable emoluments for the purpose of the scheme are salary, responsibility allowance, sitting allowance, constituency allowance and house allowance. The contributions are paid to the Consolidated Fund and the rate of contribution is five per cent by the contributor and ten per cent by the Exchequer.

On retirement from Parliament, a Member is entitled to a retiring benefit if his aggregate period of reckonable service is not less than two terms and he has attained the age of fifty years. A Member who does not qualify for retirement benefits because he has not completed reckonable service of two terms is entitled to a lump-sum payment consisting of a refund of his contributions plus interest. It was pointed out that the existing scheme is very unfair as it tended to equate Members of Parliament with civil servants who have more or less a permanent employment. The job of a Member may be described as a five-year term contract which may be renewed or terminated altogether.

The Committee was informed that there are some former Members of Parliament who are living in abject poverty after serving this nation conscientiously because they had no form of pension. A strong appeal was made for the Parliamentary Pensions Act, Cap.196, to be amended to make a provision for those who have completed one five-year term to qualify for pension benefits. The Committee considered the proposal but felt that lowering the reckonable period for qualification to benefits will place a very heavy burden on the taxpayer. The Committee, therefore, recommends that the statutory period of two terms should remain but the Treasury should seriously consider payment of a generous gratuity to those who leave Parliament after successfully completing a one five-year term in recognition of their service. The recommended gratuity should be payable after the general elections to ensure that only those who have not been re-elected benefit.

## **Per Diem for Members of Parliament**

The Committee received representations to the effect that Members of Parliament travelling on Parliamentary business outside the country are paid per diem at the rate payable to top executives in the Civil Service. We consider the per diem currently payable to Members to be inadequate to enable them live comfortably and portray a good image of our country. Accordingly, we recommend that the Speaker's Committee be empowered to determine the rate of per diem payable to the Members of Parliament travelling outside the country. With regard to the mode of travel, we further recommend that the matter be handled by the Speaker's Committee.

## **Status of the Official Opposition**

One of the hurdles this Committee had to overcome was on how to approach the question of the multi-party Parliament. This is the first Committee to be appointed to

review terms and conditions of service of Members of a plural Parliament, and with no previous experience to draw from, the Committee had to seek the views and opinions of various interest groups to ensure that all shades of opinion were taken into account before making any conclusive recommendations.

All those interviewed on this issue emphasized the need to recognize the multi-party characteristics of our Parliament. The Committee observed that this phenomenon has already been recognized in the Standing Orders of the House which recognizes the position of the Leader of the Official Opposition. This recognition led to the holder of the office being accorded certain privileges similar, although not equal to, those accorded to the Leader of Government Business in the House. These privileges include office accommodation and secretarial services.

The Committee further observed that the multi-party system of government in this country is now recognised and as a result, there is need also to recognize the responsibilities of the Leader of the Official Opposition in the political development of this nation. The Committee noted that the responsibilities of this office, if properly carried out, can contribute a lot to the socio-economic and political development of our country.

There are other realities of multi-party democracy which the Committee had also to consider. The foremost of these realities is that once the Office of the Leader of Official Opposition has been recognized, we have also inevitably to recognize that of the Official Opposition Whip which is the next most important official opposition party office in Parliament. The Committee was informed that the Government Whips receive some allowances in recognition of their important responsibilities to the ruling party. In a multi-party legislature, the effectiveness of Party Whips is measured in terms of how far they manage to marshal support for their respective parties during crucial voting.

Some of those who made representations to the Committee stressed the need to accord the office of the Official Opposition Whip some recognition, although not at the same level with the Government Whip who has heavier responsibilities. The Committee fully supported the views put forward in support of remuneration for both the office of the Leader of the Official Opposition and the Official Opposition Whip and accordingly recommends that both offices be remunerated appropriately in recognition of their special responsibility in Parliament. The Committee's recommendations on the appropriate levels at which these two offices should be remunerated are shown in Annexe 1

### **Nominated/Ex-Officio Member Allowance**

We have received views to the effect that a Nominated/Ex-Officio Allowance be introduced to be paid to Nominated and Ex-Officio Members since they do not receive



Constituency Allowance. It was argued that these Members perform important national duties which are equally demanding.

The Committee noted that currently the Nominated Members are entitled to twelve (12) Special Trips in a year which entitles them to claim mileage expenses for trips made anywhere in the country while performing official functions. The Committee has evaluated this proposal against the responsibilities of the Members and arrived at the conclusion that an Allowance at the rate of Kshs.5200 per month be introduced exclusively for Nominated and Ex-Officio Members of Parliament. However, in order to maintain parity of treatment between Elected and Nominated Members, the Committee recommends the scrapping of the twelve(12) special trips entitled to Nominated Members.

### **Group Personal Accident/Medical Insurance Scheme**

- (a) The Committee noted that there was under operation a Group Personal Insurance Scheme (Insurance Policy No.72112) covering all Members of Parliament in case of death or disablement in the manner as shown:-

Member	Maximum benefit in case of death or total disablement	Premium per year
Minister	Kshs.400,000	Kshs.1,566
Assistant Minister	Kshs.300,000	Kshs.1,242
Backbencher	Kshs.250,000	Kshs.1,006

The Committee also noted that both the Omolo Okeru and Dr. Julia Ojiambo Reports suggested that the levels of maximum benefits be enhanced to a minimum of Kshs.500,000 with a maximum sum of Kshs 1,000,000, with consequential rise in the annual premiums for each level. The Committee finds merit in these proposals and recommends that the Scheme be revised to incorporate them.

### **(b) Comprehensive Medical Insurance Scheme**

A strong case was made to the Committee to consider recommending the introduction of a Comprehensive Medical Scheme to cover Members of Parliament and their families against illnesses, treatment overseas and flying doctors service. The Committee noted that the current medical benefits for Members cover in-patient treatment, where a reimbursement of Kshs.200/= per day is payable in case of

hospitalization. The Committee also noted that the Members of Parliament and their dependants who are contributors to National Hospital Insurance Fund (N.H.I.F.) get a maximum rebate of Kshs.450/= per day in the event of hospitalization.

However, a Member who incurs heavy hospital bills may, on application to the Directorate of Personnel Management and subject to concurrence by the Treasury, be considered for an Ex-Gratia assistance to the maximum of 75% of the total bill subject to the availability of funds. The Committee views these reimbursements for medical treatment as inadequate taking into account the present cost of treatment and medication. The Committee is inclined to support the overwhelming submissions calling for introduction of a comprehensive medical insurance scheme to cover both Members of Parliament and their families. The Committee feels this could effectively be implemented by Members contributing to a group medical insurance cover.

The Committee therefore recommends the establishment of a Comprehensive Medical Insurance Scheme for Members and their families.

### **Office Accommodation for Members of Parliament**

The Committee was urged to consider recommending office accommodation for Members of Parliament both in Nairobi and at the constituency level. With regard to constituency offices, suggestions were made to the effect that the Government could either provide funds for construction of such offices or alternatively, it could increase significantly the Constituency Allowance to enable Members rent offices. The Committee noted that the issue of office accommodation had been raised with the previous review committees. The Omolo Okero Committee, after considering pros and cons of the best method of establishing constituency offices, favoured boosting of the Constituency Allowance so that those Members who were strongly committed in bringing their services closer to the people could set aside part of their allowance to secure offices. The Julia Ojiambo Committee felt that the responsibility of establishing constituency offices should be left to the respective Party and we support this view.

The Committee was happy to learn that the National Assembly has already acquired the County Hall from the City Council and that the offices are in the process of being renovated and refurbished. The Committee was informed that once the offices are ready for occupation, Members will be considered for limited office accommodation and secretarial services on shared basis. We consider this to be a step forward in the right direction and we look forward to the time when all our legislators will have an office and support staff in Nairobi.

### **Support Staff for Members of Parliament**

The Committee was informed that provision of office accommodation for Members will not be an end in itself unless it is complemented with appropriate support staff to

assist Members in their endeavours to provide services to the electorate. It was pointed out that the schedule of a Member of Parliament is very hectic and he cannot handle it all alone. Views were expressed that in order to be able to organize the activities of Members at constituency level when they are attending Parliamentary sessions in Nairobi, there was genuine need for a constituency office to have a typist and a research clerk (assistant). In addition, Members also requested for personal drivers since most of them drive long distances between constituencies and Nairobi which posed serious dangers to their lives due to fatigue.

The Committee is sympathetic with the views expressed by the Members and has accordingly taken them into consideration in its various recommendations. The Committee would like to urge the Members to devote part of the increased allowances to hire their own staff.

### **President's Emoluments and Pension**

The attention of the Committee was drawn to the fact that the President's emoluments were last reviewed in July, 1986. In the previous reviews by Sir Humphrey Slade, Mr. Omolo Okero and Dr. Julia Ojiambo, Parliament was urged to expeditiously review the President's salary and allowances. The Committee further noted that although Members of Parliament, other than the President, are covered by the Parliamentary Pensions Act, Cap. 196 of the Laws of Kenya, no such scheme exists for H.E. the President.

The Committee seriously considered the provisions of Sections 9 and 13 of the Constitution of Kenya as amended in 1992 which states, inter alia, that:

#### **Section 9:**

- (2) No person shall be elected to hold office as President for more than two terms
- (4) The holding of the office of the President shall be incompatible with the holding of any office of profit or of an office in any professional or labour organization and with any professional activity or any other public employment

#### **Section 13:**

- (1) The President shall receive such salary, allowance and benefits as may be determined by a resolution of the National Assembly.
- (2) Where the President ceases to hold office he shall be entitled to receive a pension, gratuity and other allowances together with such other benefits

and facilities, including adequate security, office, staff and travel allowances, as may be prescribed by or under an Act of Parliament.

- (3) The salary and allowances payable to the President and any pension or gratuity payable to him on retirement shall be a charge upon the Consolidated Fund.
- (4) The salary, allowances and privileges of the President shall not be varied to his disadvantage while he holds office.
- (5) The pension and allowances payable to the President who has ceased to hold office and the facilities and other benefits available to him shall not be varied to his disadvantage during his lifetime.

Consequently, the Committee recommends that the Attorney-General and Parliament urgently reviews the President's salary and allowances in harmony with the above quoted provisions of the Constitution, and, further recommends that the Government should as a matter of priority work out a Pension Scheme for the President.

## **Conclusion**

- (a) The Committee recommends that if the Government accepts these recommendations, the implementation of the proposed salaries and allowances takes effect from 1st July, 1994.
- (b) The implementation of these recommendations in total would require an additional sum of K£2739715 to be provided from the Exchequer in the current financial year (1994/95)

# ANNEXES



# ANNEX I

## SALARIES AND ALLOWANCES RECOMMENDED BY THE COMMITTEE

Proposed									
Office Held	Salary K£ p.a	Sitting Allowance K£ p.a	Constituency Allowance K£ p.a	Accommodation/ House Allowance K£ p.a.	Responsibility Allowance K£ p.a.	Transport Allowance K£ p.a.	Nominated/Ex- Officio Member Allowance K£ p.a	Totals K£ p.a.	
The Speaker	6000	1800	-	30,000	9720	9000	3120	59640	
	(3186)	(1200)		(6000)	(8099)	(9000)		(27483)	
The Deputy Speaker	6000	1800	3120	27,000	5400	9000		52320	
	(3186)	(1200)	(2664)	(6000)	(4000)	(9000)		(26049)	
The Vice-President	6000	1800	3120	40,000	9900	9000		69820	
	(3186)	(1200)	(2664)	(6000)	(8164)	(9000)		(30213)	
Minister	6000	1800	3120	30,000	6522	9000		56442	
	(3186)	(1200)	(2664)	(6000)	(5435)	(9000)		(27483)	
Attorney-General		1800			6522		3120	11442	
		-							
Leader of the Official (Opposition	6000	1800	3120	27,000	5400	9000		52320	
	(3186)	(1200)	(2664)	(3780)	(3786)	(9000)		(23616)	
Assistant Minister	6000	1800	3120	25,000	4800	9000		49720	
	(3186)	(1200)	(2664)	(6000)	(4000)	(9000)		(26049)	
Government Chief Whip	6000	1800	3120	27,000	5400	9000		52320	
	(3186)	(1200)	(2664)	(6000)	(4000)	(9000)		(26049)	

Government Deputy Chief Whip	6000	1800	3120	22,000	4680	9000		46600
	(3186)	(1200)	(2664)	(4500)	(3899)	(9000)		(24449)
The Official Opposition Whip	6000	1800	3120	22,000	4680	9000		46600
	(3186)	(1200)	(2664)	(3780)	(3786)	(9000)		(23616)
Member of Chairmen's Panel	6000	1800	3120	22,000	4680	9000		46600
	(3186)	(1200)	(2664)	(4500)	(3899)	(9000)		(24449)
Elected Member of National Assembly	6000	1800	3120	20,000	4500	9000		44420
	(3186)	(1200)	(2664)	(3780)	(3786)	(9000)		(23616)
Nominated Member	6000	1800	-	20,000	4500	9000	3120	44420
	(3186)	(1200)		(3780)	(3786)	(9000)	(0)	(20952)

# **A N N E X E II**

## **LIST OF PERSONALITIES WHO APPEARED BEFORE THE COMMITTEE**

<b><u>Name</u></b>	<b><u>Organisation</u></b>
1. Prof. George Saitoti, E.G.H., M.P.	Vice President and Minister for Planning and National Development
2. Mr. Musalia Mudavadi, E.G.H., M.P.	Minister for Finance
3. Mr. Amos Wako, E.G.H., M.P.	Attorney General
4. Prof. Philip M. Mbithi, E.G.H., E.B.S.	Permanent Secretary, Office of the President/Secretary to the Cabinet and Head of Public Service.
5. Dr. Kange'the Gitu	Director of Planning, Office of the Vice-President and Ministry of Planning and National Development.
6. Mr. Michael Kijana Wamalwa, MP	Chairman, Ford(Kenya) and Leader of the Official Opposition Party.
7. Mr. Mwai Kibaki, EGH, MP	Chairman, Democratic Party of Kenya.
8. Mr. Gerald Ileri Ndwiga, MP	Kenya National Congress
9. Mr. J.B.K. Mwaura, MP	FORD(Asili)
10. Mr. Kiraitu Murungi, MP	FORD(Kenya)
11. Mr. Maoke Maore, MP	Democratic Party
12. Mr. Adan M. Abdulahi, MP	KANU
13. Mr. David Mwiraria, MP	Democratic Party

- |                                       |   |
|---------------------------------------|---|
| <b>14. Mr. Tom D. Owuor</b>           | <b>Executive Director, Federation of Kenya Employers.</b> |
| <b>15. Mr. George Anyona, MP</b>      | <b>Kenya Social Congress</b>                              |
| <b>16. Mrs Florence Oeri</b>          | <b>Commissioner for Social Services</b>                   |
| <b>17. Mrs. Wilkista Onsando</b>      | <b>Chairperson, Maendeleo ya Wanawake.</b>                |
| <b>18. Mrs. Grace A. Ogot</b>         | <b>Former Assistant Minister for Social Services.</b>     |
| <b>19. Mr. John Katumanga</b>         | <b>Chairman, Kenya National Union of Teachers.</b>        |
| <b>20. Mr. Ambrose Adeya Adongo</b>   | <b>Secretary-General, KNUT</b>                            |
| <b>21. Mr. Francis Ng'ang'a</b>       | <b>Deputy Secretary General, KNUT</b>                     |
| <b>22. Mr. Lawrence Majali</b>        | <b>Assistant Secretary General</b>                        |
| <b>23. Mr. Dennis Akumu, MP</b>       | <b>FORD(Kenya)</b>  |
| <b>24. Mr. Kipruto arap Kirwa, MP</b> | <b>KANU</b>   |
| <b>25. Mr. Eliud Mcharo, MP</b>       | <b>KANU</b>   |
| <b>26. Mr. S.P. Leshore, MP</b>       | <b>KANU</b>   |
| <b>27. Mr. Apili Wawire, MP</b>       | <b>KANU</b>   |

## **A N N E X E III**

**The following persons submitted memoranda to the Committee:-**

- |                                    |   |  |
|------------------------------------|---|--|
| <b>Mr. Simeon Nyachae, EGH, MP</b> | - | <b>Minister for Agriculture, Livestock Development and Marketing</b> |
| <b>Mr. Nathan Munoko</b>           | - | <b>Former Cabinet Minister</b>                                       |
| <b>Mr. James Osogo, MP</b>         | - | <b>Assistant Minister for Commerce and Industry</b>                  |
| <b>Mr. Dennis Akumu, MP</b>        | - | <b>FORD (Kenya)</b>  |
| <b>Mr. Tom Owuor</b>               | - | <b>Federation of Kenya Employers</b>                                 |

# **ANNEXE IV**

## **LIST OF DOCUMENTS/PAPERS USED FOR REFERENCE BY THE COMMITTEE**

1. **Report on the Committee on Salaries and Allowances for Members of the National Assembly, 1981.**
2. **Report on the Salary Review Committee for Members of Parliament, 1986.**
3. **Report of the Committee to Review Salaries and Allowances of Members of the National Assembly, 1991.**
4. **New Conditions of Service for the Kenya Civil Service.**
5. **The Parliamentary Pensions Act, 1983 Chapter 196.**
6. **Impact of the recent economic changes on the cost of living in Kenya, 1991 to date. A paper prepared by Dr. Gitu, Director of Planning Vice-President and Minister for Planning and National Development.**
7. **British MP's salary Report, 3rd November, 1993**
8. **Adjustments of Civil Service salary and salary scales. Mbithi Salary Review Committee (Final phase 1993/94)**
9. **The Budget Speech, 1994**
10. **The Finance Bill, 1994**
11. **The Standard, 14th October, 1994**
12. **National Assembly Remuneration (Amendment) Act 1992 Chapter.5**

