

**AN ASSESSMENT OF CHALLENGES FACED BY RETIREES IN ACCESSING
SOCIAL SECURITY BENEFITS IN TANZANIA; A CASE STUDY OF PSPF IN
HANANG' DISTRICT**

MARTHA SULLE

**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF
REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN SOCIAL
WORK OF THE OPEN UNIVERSITY OF TANZANIA**

2016

CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania, the dissertation entitled: *An Assessment of the Challenges Faced by the Retirees in Accessing Formal Security Benefit in Tanzania: The Case of PSPF in Hanang' District*, in partial fulfillment of the requirements for the degree of Master of Arts In Social Work of the Open University of Tanzania.

.....

Prof Hossea Rwegoshora

(Supervisor)

.....

Date

COPYRIGHT

This dissertation is copyright material protected under Berne Convention, the Copyright Act of 1999 and other international and national enactments, in that behalf on intellectual property. It may not be reproduced by any means in full or in part, except for short extracts in fair dealings, for research or private study, critical scholarly review or discourse, with an acknowledgement, without written permission of the both author and the Open University of Tanzania.

DECLARATION

I, **Martha Sulle** declare that, this dissertation is my own original work and that it has not and will not be presented to any other institution for the award of the degree or other similar award. It is hereby presented in partial fulfilment of the requirement for the Degree of Master of Arts in Social Work.

.....

Signature

.....

Date

DEDICATION

This dissertation is dedicated to my beloved husband, Joseph. M. Bayda for his intensive care during this work. I also dedicate this work to my parents: Silvanus Shauri Sulle and Veronica John Nakei, whose efforts, understanding and encouragements have made it possible for me to attain this education level. It is also dedicated to my brothers, Sebastian, Jonathan, Marco, Justice and Lucas as well as to my beloved sisters Sofia and Lydia and my beloved Judith Mariki for her intensive care during this work with my aunt Glady, Neema, Joshua and Rebeca without forgetting my spiritual leaders Pastor Mercy and Pastor Dany I say thank you for your prayers of goodwill.

ACKNOWLEDGEMENT

There are no appropriate words to convey my sincere and heartfelt thanks to different people who supported me materially and morally during my MA in Social Work studies. Special thanks should go to Dr. Pessa J. of Institute of Social Work and Omary Maje of Hanang District.

I am greatly indebted to my supervisor, Prof Rwegoshora, H. for his direction, advice, encouragement which finally produced this dissertation. I say, God bless you!

I would like to express my appreciation to Allay, Mary and Johnson Kojo from the University of Dodoma for their academic and economical support. My special thanks are due to retired employees who volunteered offered the data for this study. I also owe my gratitude to the indigenous leaders Dr. W. Kyambile, Dr. Ngaiza, Dr. Rozi Slaa, Eningenja Amiri and Mary Shauri all of Tumaini District Hospital- Hanang Manyara, without them I would not have been able to enter Bassotu, Balang'da Lalu and Katesh Divisions during my field work.

My cordial thanks should go to my husband Joseph Bayda as well as to my close friends and relatives: Josephina Leonsi, Domnic Joseph, Anastazia Petro for their support when working on this, lastly special thanks to my beloved pastor Mercy and pastor Dany for their goodwill messages and prayers.

ABSTRACT

This study assessed challenges faced by retirees in accessing formal security benefits in Tanzania: It was conducted in Hanang' District. More specifically, the study examined procedures used in processing Pension Benefits in PSPF and challenges faced by retirees when accessing pension benefits from social security funds. It further, assessed the impact of challenges of the social security fund to the retirees and other stakeholders. This is the case study design which used mixed method, namely, the qualitative and quantitative researches. Interview, questionnaires, non-participant observation and documentary review were employed as the instruments for the data gathering. The findings revealed there are procedures that have to be followed. Before retirement one gives notification to employer six months before receiving retirement benefits. As regard, retirement benefits, a lump sum is given once after retirement and second part of the pension is that which the employees are receiving after every month. The findings also revealed most of the complaints were the inadequacy of benefits, delays in payments, lack of update information about the schemes and the amount of individual contributions made, estimated benefits statements and incomplete contribution records. Furthermore, findings disclosed that for instance many teachers' retirees are virtually forced to live very precarious lives and they cannot meet their basic needs due to the delays in pensions and falling in household incomes. Based on the findings, it is recommended that the Social Security Fund should regulate the relationship between the contributions made by the members to PSPF before retirement to be proportional to the benefit they receive after retirement. The Social Security Fund should revisit the amount of pension it pays to its retirees specially those who stopped working before 2006.

TABLE OF CONTENTS

CERTIFICATION	ii
COPYRIGHT.....	iii
DECLARATION	Error! Bookmark not defined.
DEDICATION	Error! Bookmark not defined.
ACKNOWLEDGEMENT	vi
ABSTRACT	vii
ABBREVIATIONS AND ACRONYMS	xv
TABLE OF CONTENTS.....	viii
LIST OF TABLES	xiii
LIST OF FIGURES	xiv
CHAPTER ONE	1
THE PROBLEM DEFINITION	1
1.1 Introduction.....	1
1.2 Background to the Problem	2
1.3 Statement of the Problem	4
1.4 General Objective.....	5
1.4.1 Specific Objectives.....	5
1.5 Research Questions	6
1.6 Significance of the Study.....	6
1.7 Limitation of the Study.....	7
1.7.1 Delimitation of the study	7
1.8 Scope of the Study	8
1.9 Summary.....	8

CHAPTER TWO	9
LITERATURE REVIEW	9
2.1 Introduction.....	9
2.2 Definition of Concepts	9
2.3 Theoretical Review	10
2.3.1 Positive Theory of Social Security.....	10
2.3.2 Social Security Reducing Saving.....	11
2.3.3 Aggregate Saving in a Growing Economy	12
2.4 Background to Social Security Programmes	13
2.4.1 Social Security in Tanzania	14
2.4.2 Challenges Facing Social Security in Tanzania.....	15
2.4.3 The Role of Social Security	17
2.5 Payback of Social Security Funds.....	18
2.6 Empirical Review	20
2.7 Policies Governing Social Security Terminal Benefits Payments	24
2.8 Conceptual Framework of the Study.....	31
2.8.1 Conceptual Model of Challenges Faced by Retirees	31
2.9 Summary and Knowledge Gap	32
CHAPTER THREE	33
RESEARCH METHODOLOGY	33
3.1 Introduction.....	33
3.2 Research Design.....	33
3.3 Research Approach	34
3.4 Area of the Study	34

3.5	Target Population	35
3.6	Sample and Sampling Procedures	35
3.7	Data Collection Methods	36
3.7.1.	Primary Data	36
3.7.1. 1	Semi-Structured Interview	36
3.7.1.2	Questionnaires.....	37
3.7.2	Secondary Data	37
3.8	Data Analysis and Presentation	38
3.9	Validity and Reliability	38
3.10	Ethical Issues Consideration.....	39
3.10.1	Research Clearance Letters.....	39
3.10.2	Confidentiality	39
3.10.3	Anonymity	39
CHAPTER FOUR.....		41
DATA PRESENTATION, ANALYSIS AND DISCUSSION.....		41
4.1	Introduction.....	41
4.2	Demographic Characteristics of Respondents	41
4.2.1	Distribution of Respondents by Age	42
4.2.2	Respondents by Gender	43
4.2.3	Distribution of Respondents by Gender and Level of Education	44
4.2.4	Respondents by Years of Service before Retirement.....	45
4.3	Procedures in Processing Pension Benefits in PSPF.....	46
4.3.1	Contribution Procedure	46
4.3.2	Common Procedures for Pension Processing	47

4.3.3	Pension Scheme	49
4.4	Challenges Faced by Pensioners in Accessing Pension Benefits	50
4.4.1	Delays in payment.....	51
4.4.2	The Inadequacy of Benefits	52
4.4.3	Bureaucracy	53
4.4.4	Lack of Pension Awareness.....	54
4.4.5	Falling Household Income.....	55
4.5	Impact of the Social Security Fund Challenges to the Retirees and Other Stakeholders.....	55
4.5.1	Desperate life	55
4.5.2	Psychological Distress.....	56
4.5.3	Sense of Loss of Financial Security	57
4.5.5	Adjustment to Retirement.....	59
4.6.	Social work Concept in this research	60
CHAPTER FIVE		62
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS		62
5.1	Introduction.....	62
5.2	Summary of Findings	62
5.2.1	Procedures Followed in Processing Pension Benefits.....	62
5.2.2	Challenges Faced By Pensioners in Accessing Pension Benefits.....	63
5.2.3	Impact of the Social Security Fund Challenges to the Retirees and other Stakeholders.....	63
5.3	Conclusion	63
5.4	Recommendation	64

5.4.1	To PSPF.....	64
5.4.2	To Employers.....	65
5.5	Areas for Further Studies.....	65
REFERENCES		66
APPENDIXES		74

LIST OF TABLES

Table 3.1	:	The Distribution of Respondents.....	36
Table 4.2.1 (a)	:	Distribution of Respondents by Age.....	42
Table 4.2.1(b)	:	Distribution of Retirees by location.....	43
Table 4.2 2	:	The distribution respondents by Gender with percentage.....	44
Table 4.2 3	:	Distribution of Respondents by Gender and Level of Education with percentage	45
Table 4.2.4	:	Distribution of Respondents by Years of Service before Retirement with percentage	45
Table 4.2.5	:	Distribution of different Categories of respondent by gender	47

LIST OF FIGURES

Figure 2.8.1 : Conceptual Model of Challenges Faced by Retirees	31
Figure 4.3.2 : Common Procedures of Pension Processing	52
Figure 4.4.1 : Delays in Payments	51
Figure 4.4.2 : The Inadequacy of Benefits	52
Figure 4.5.1 : Retirees Desperate life	56
Figure 4.5.2 : Retirees' Psychological Distress	57
Figure 4.5.3 : Sense of Loss of Financial Security	58
Fig. 4.5.6 : Adjustment to Retirement	60

ABBREVIATIONS AND ACRONYMS

CHF	Community Health Fund
CHI	Community Health Insurances
CWT	Chama Cha Walimu Tanzania
DHRO	District Human Resource Officer
GEPF	Government Employees' Provident Fund
ILO	International Labour Organization
LAPF	Local Authorities' Pensions Fund
LGA	Local Government Authority
NHIF	National Health Insurance Fund
NSSF	National Social Security Fund
NIC	National Insurance Cooperation
OAP	Old Age Pension
OASD	Old Age Survivors and Disability
PNDCL	Provisional National Defense Council Law (Ghana Law Reform Commission)
PPF	Parastatal Pensions Fund
PSPF	Public Service Pensions Fund
PSRBS	Political Service Retirement Benefits Scheme
SSRA	Social Security Regulatory Authority
TSD	Teachers Service Department
UK	United Kingdom
URT	United Republic of Tanzania
USA	United State of America

CHAPTER ONE

THE PROBLEM DEFINITION

1.1 Introduction

Every individual person is faced with socio-economic contingencies in human life which form the basis for the need of social security organ. According to the 1952 International Labor Organization's Social Security Convention, there are exactly eight contingencies to be covered by Social Security Funds. Implicitly, these contingencies set the boundaries of social protection which, countries across the world, are supposed to cover and provide to their people (URT, 2010). Basically, social security is the measure that the society takes to ensure that its members are protected from economic and other related social distress caused by unexpected work-stoppage or a considerable decrease of an income. This decrease of income is caused by different known and unforeseen events such as illness or bad health, industrial hazards such as workplace injuries, maternity or old age. Therefore, whether a retired officer is unable to earn an income due to old age, invalidity or joblessness Social Security Schemes in their locality are expected to provide them with a better standard of living.

It is on that basis that, similarly, in implementing social security Tanzania has enacted several legislations that ensure the provision of social security to the needy. These include Local Authorities Pension Fund Act (No. 9 of 2006), and Public Service Retirement Benefits Act. Not only does Tanzania have laws governing social security provision but also different pension schemes which have their roots in the philosophy of

extending social security to the deprived. It was noted that, in Tanzania, pensions are in two categories. Lump sum, being a relatively large sum of money is paid as part of the retirement benefit immediately after the retirement, and Annuity which is a monthly income for the retired workers. To the majority of low income retired workers, Annuity is the main source of earnings. Unfortunately, these happen to be the people who do not have any other source of supply or investment.

1.2 Background to the Problem

There are different types of social security schemes in Tanzania that are established under the Acts of parliament. These are the National Social Security Scheme (Pension Act No. 28, 1997), Parastatal Pension Scheme (pension Act No. 14 of 1978), Public Service Pension scheme (pension Act no. 2 of 1999) and other schemes established before independence like the Government Pension scheme (Pension ordinance Cap 371 of 1954), Government Employees Provident Fund (cap 51 of 1942). These schemes were established primarily to provide benefits to its members. But these schemes differ from one to another depending on the coverage (membership) and profit package, which based on Act, recognized the scheme concerned. Also, in Tanzania the retirees are covered by in five different Pensions Funds which are Local Authorities Pension Fund (LAPF), Public Service Pension Funds (PSPF), Government Employees Provident Fund (GEPF), National Social Security Fund (NSSF), Parastatal Pension Fund (PPF) and National Health Insurance Fund ((NHIF). According to Bossert (1987), the above mentioned Social Security Funds are accountable for disbursement of terminal benefits to the retired workers.

Despite the many efforts (mechanism in place) made by Tanzanian Government in improving the pension sectors; retirees have been and continue to face a lot of challenges including delays when accessing their terminal benefits. This problem calls for urgent intervention. Most of the retired workers, including teachers who worked in the civil service depend on pension as their main source of income after the retirement. Therefore, retired workers require prompt payment of the pension hence there is a need to remove avoidable delays. One of the major challenges in accessing terminal benefits by retired civil servants is delay in payment. This has been a deep-rooted problem to many retirees especially those from public service. For a long time now, it has been a usual practice for retirees to spend more than a year without getting their pension (Rwegoshora, 2016; URT, 2010).

Due to the delays in payment of terminal benefits, there are reported incidents of retirees dying before accessing their money. As a result, their relatives face a lot of challenges when making follow-up before they obtain the pension. In the course of this, the dependants of the deceased live a miserable life because they are left without any authentic source of income (URT, 2010). It is a common experience to find a number of retired workers queuing at the Ministry of Finance and Social Security Funds offices and complaining about the delay in the payment of their pension which is supposedly caused by delay in the processing of the pension. In many such incidents, retired workers have been complaining that this delay has negatively affected their purchasing power.

In view of the various concerns above, it should be noted that the delay in processing the retirees terminal benefit payments in Tanzania poses a challenge and thus deserves a

further research study. The few studies available explained the problems facing members of social security schemes in include: lack pertinent records regarding the employees' monthly contributions, insufficiency of benefits, delay in payment. This has called for the need for the present study on the challenges faced by the civil service retirees in accessing formal social security benefits in Hanang' District.

1.3 Statement of the Problem

In Tanzania retirees face a lot of problem when it comes to payment of pension this needs quick consideration. After retiring the majority of retired public workers depend on the gratitude and monthly pension as their source of earnings. Social security is a social insurance and social assistance arrangements that protect the employees/population against various risks including social life stress, diseases, economic hardship and the like. Delay of benefit payments brings huge challenges to most social security schemes members in many countries around the world and Tanzania in particular. Several challenges face most of the members of social security schemes in Tanzania including delay of pension or retirement benefits payments and small pension. As a result the retirees experience more difficult life. URT (2010).

In Tanzania, the retired employees are covered by five diverse Social Security Funds which are Local Authorities Pension Fund (LAPF), Public Service Pension Funds (PSPF), Government Employees Provident Fund (GEPF), National Social Security Fund (NSSF) and Parastatal Pension Fund (PPF). These Pension Funds are responsible for the payment of pensions, gratuities, monthly and other benefits of the retirees (URT ,2010).

These Social Security Funds collect employees' monthly deductions from workers in the country; unfortunately, the government borrows this money for different activities such as construction projects. Sometimes the Government delays to reimburse this money hence, the Social Security Funds are bound to delay payment of pensions to its clients in time (Kubenea, 2016). A very good case is that of the government using funds for the allocated payment of East Africa Community retirees for other activities than pension's payment. This resulted in the retirees being delayed to be paid their dues; hence, causing difficulties in their daily life (Lyimo, 2011).

Although there are different studies conducted by different researchers, they mostly focused on the assessment and economic impact of social security funds on pensioners and terminal benefits payments practices in Tanzania (Semango, 2015 and Haule, 2013). Seemingly, there are very few studies that focused on the challenges of Social Security Funds and pensioners. The current study, therefore, examined the challenges faced by the civil service retirees in accessing formal social security benefits in Hanang' District.

1.4 General Objective

The general objective of the study was to examine the efficiency and effectiveness faced by the civil service retirees in accessing social security benefits in Hanang' District.

1.4.1 Specific Objectives

This study was guided by the following specific objectifies:

- i. To examine the current procedures of processing pension benefits in PSPF.

- ii. To investigate the challenges faced by pensioners in accessing pension benefits in PSPF.
- iii. To assess the impact of challenges of accessing pension to individual retirees and their families

1.5 Research Questions

- i. What are the current procedures of processing pension benefits in PSPF?
- ii. What are the challenges faced by pensioners in accessing pension benefits in PSPF?
- iii. What are the impacts of the identified challenges to the individual retirees and their families?

1.6 Significance of the Study

Significantly, the study provides a deeper insight to the policymakers and other employers on the practical ways of dealing with retiring employees. Since the study assessed the nature of the social security system and the challenges encountered by the Government in curbing problems facing efforts towards provision of adequate social security services to retiring employees, the policy makers are in a better position to understand the real situation regarding social security system for retiring employees and find out proper ways to ensure the effectiveness in provision of social security fund to retiring employees.

Secondly, it serves as a guide to the Government, employers and agencies dealing with social security system at large as to what key issues of concern are related to challenges, measures and poor provision of social security fund to retiring employees.

Thirdly, the study contributes to further research undertakings on the issue related to social security system. The findings of this study provided a point of reference by those who wish to conduct any study on Social Security system with reference to challenges and strategies used to curb the identified challenges both inside and outside the country. Also, the study informed the social security agencies on the need to transform their Social Security systems to enable them to cover vulnerable groups in the countries.

1.7 Limitation of the Study

The study is likely to be limited by the budget constraint and time consuming, based on the reality that most of the respondents were retired persons and were found so scattered that was rather boring for the researcher to go to each of the 32 respondents for data collection. It was again difficult to consult the supervisor as the research was conducted in Manyara Region while the supervisor is in Dar es Salaam.

1.7.1 Delimitation of the study

In solving and minimizing the effect of limitations associated with the study, the researcher decided to use a case study to serve time and cost.

The researcher used research assistants the in data collection phase for the sake of accessing the scattered respondents.

1.8 Scope of the Study

First, the study involved both theoretical data from scholarly writings, and empirical data from the field. Secondly, it confined itself to a sample of retired primary school teachers in PSPF, a case of Hanang' District. The major focus of the study was to examine the challenges faced by retirees in accessing formal social security benefits in Tanzania: the case of pensioners in Hanang' district.

1.9 Summary

This chapter presented an introduction of this study including the justification for this study. It mainly covered issues related to the background to the problem, purpose of the study, research objectives and research questions, definition of key terms, scope of the study and the organization of the study. The next chapter discusses a review of the literature related to this study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the review of literature. It also discusses the procedures of Social Security Funds challenge and different theories relevant to the study. Further to that, it defines terms related to this study such as social security, social security benefit and retirees.

2.2 Definition of Concepts

Social Security refers to the protection people in need are given by the society. This is done as a community measure addressing social and economic distress that would otherwise cause reduction or stoppage of income to the retirees. This loss of income can be permanent or temporary (Tungaraza, et al, 2002). This study adopts the above definition by studying the extent to which primary school teachers who have retired from their professional career are covered by the security schemes.

Retiree is similar to the pensioner. It refers to a worker who has stopped working or reached the end of his professional career (Merriam-Webster, 2012). Retirement is the start of a new phase in life. Work refers to a job one is employed to do before retirement. This can be a permanent and pensionable job. Thus, both the terms pensioner and retiree are used interchangeably in this study. This study adopts the above definition by studying primary school teachers who have retired from their professional career.

Social Security benefit is an offer in various ways to help the clients/employees save for retirement, income and social distress including sickness, employment injuries, occupational diseases, maternity, old age, invalidity, death and unemployment. [Tungaraza et al (2002)]. It bases benefit payment on how much a retired person earned during his or her career. The high payment an employee gets before he retires is directly related with the higher social security benefit. Social Security benefits are paid once as a gratuity every month to the retired employees who were giving their monthly remittances to the social security schemes during their working years. This study looks at the gratuity and monthly pension paid to retirees. This study adopts the above definition by studying primary school teachers who have retired from their professional career.

2.3 Theoretical Review

This study was guided by the principles drawn from the following three theories: Positive Theory of social security, social security reducing saving and aggregate saving in a growing economy. The major propositions of these theories and their relation to the present study are discussed in the subsequent section.

2.3.1 Positive Theory of Social Security

According to Martin (1995), Social Security schemes across the world link retirement benefits to retirement. Retirees do not lose their terminal benefits especially when they generate a million dollars per annum in the stock exchange/ market, rather they encounter marginal tax only when they opt to work. Unfortunately, most of the current theories do not explicitly discuss this reality. Realising this weakness, a positive theory

which correlates with this, was constructed. Generally, pensions are perceived as a way of inducing retirement, that is to say, to buy the elderly out of the labour force, *that is, to buy the old people out of employment. The reason being that, aggregate output is higher if the old people do not work. This is modeled through positive externalities in the average stock of human capital: because skills decrease in value with age, the old men and women have on average lower skills, as a result, thus, they negatively affect the productivity of the young people. Once the variation between the young-men and old-men skill level is very large, aggregate output in an economy where the old-men do not work is higher. Under such a circumstance, retirement is required and it is induced by the social security transfers.* The theories guiding this work are consistent with this study. They reflect a wide range of regularities presented in section 1. This research is in agreement with the theory that when young and energetic one works very hard with very high productivity. Practically, such a young worker is expected to work up to the age of 55 or 60 years and keep his / her contribution to the social security fund as benefit and use that benefit during the old age when he or she is between 55 and 60 years. That is when he or she retires from work and possibly unable to work. During this time, he/she only uses the benefit or pension for life as related to my study.

2.3.2 Social Security Reducing Saving

The view that social security trim down private savings is drawn from the fact that even though people save for several reasons-to provide for unforeseen events, to build up estates, or to pay for children school fees and other education requirements or save for retirement. Actually, the primary reason for employees to save money is to ensure they have resources when they retire. This implies that workers knowingly recognize that

when they reach their old age they will not be able to work. Therefore, if they are not covered by the social security system, their spending during retirement will depend on their individual efforts and resources. This, therefore, requires workers during their working tenure, to invest their savings in the real estates (real asset) or stock and bonds (financial asset). Because of financial consumption, these assets are then drawn down to zero during retirement. This household behavior is described as the lifecycle model of savings (Aiicia & Frederick, 1991). The researcher agreed with the theory because it is better to serve money when someone is young and energetic before retirement between 55 and 60 years of age. This means that during employment someone invests in different activities such as building houses, opening business, raising cattle and agriculture. The above investment helps retirees during old age rather than making contribution to the social security funds alone and encounter delay in payment as seen in this research.

2.3.3 Aggregate Saving in a Growing Economy

The relationship between aggregate and individual saving is not simple. Because employed workers save and pensioners or retirees disserve (spend more than what they earn), in economy, aggregate saving is determined by the balance between saving and disserving. In a growing economy, each of the subsequent generation of employees is usually larger, richer and saves more money than the preceding generations. Saving by current employees, therefore, surpasses disserving by the retirees, who are both fewer in number and poorer. Thus, in a growing economy, aggregate saving is positive. The researcher also agreed with this theory because when the employees keep their contribution in social security fund, it helps in growing economy as the social security fund invests that money in different activities such as investing in real estate by building

houses for renting; hence, profit and the country's economy grows (Marta and Michal 2015).

2.4 Background to Social Security Programmes

The social security programmes based on essential insurances were established in Europe in the late 19th century. It was during the 20th century, however, that national Social security programmes developed more widely around the globe, not least as a result of decolonization and the institution of new independent states after the World War II. The development of social security has also been supported by various International conventions and instruments, and the recognition of social security as a basic human right was enshrined in the 1948 Universal Declaration of Human Rights. Today, most countries have some types of social security systems. Worldwide, the most common types of programmes are for old-age, disability, and survivors' pensions, followed by programmes of benefits for work injuries and occupational diseases, sickness and maternity, family allowances and unemployment (ILO 2000).

According to ILO (2000), provident fund was a different form of social security that was introduced in Africa during colonial era. In countries such as Tanzania, Uganda and Zambia, provident funds were the dominant form of social security but these have since been transformed into social insurance schemes. The provident funds are compulsory saving schemes funded through the contributions of both the employer and employees. They provide protection mainly against an old age. Upon reaching retirement, a member receives a lump sum payment representing contributions in his/her account plus the interest accrued. Unluckily, provident funds do not offer income security as the value of

the lump sum payment is eroded by inflation. The conversion of the provident funds into proper social insurance schemes has therefore enhanced income security.

2.4.1 Social Security in Tanzania

Tanzania Social security system comprises of six Social Security Institutions (SSIs) in the mainland and one scheme in the isles. In the past, each of these schemes covered a defined group of people or sector, and each scheme was established by a different legislation. Nevertheless, the existing SSIs cover less than a million people out of 44.9 million (National census report, 2002). That is, the majority of Tanzanians, which include the self-employed and the Informal Sector Employees (ISE), remain without any form of social protection. Generally, most of the Tanzanians are vulnerable to social and economic insecurity. Thus, unless measures are taken to ensure that they can access some kind of social protection, they will continue to be vulnerable and mostly affected by pangs of poverty. A crucial policy issue is therefore, how lives and Livelihoods in developing countries such as Tanzania can be made more secure against adversity and deprivation (Stern & Burgess, 1991). For example, the SSIs have been for years offering conventional benefits namely; old age pension, survivors and withdrawal benefits. These benefits are not responsive to the social security needs of their respective members and particularly those who are vulnerable to social and economic insecurity in the Informal Sector (IS) (Isaka, 2016).

According to Isaka (2016), Social Security Sector has been changing dramatically. The SSRA act of 2008 has enhanced competition among Pension schemes in Tanzania mainland leading to improved services that include reduced period of benefit processing;

increased number of benefits offered by Pension Schemes and minimized documentation required in lodging benefit claims. Additionally, SSRA has recently come up with a common retirement computation formula that is to be used by all Pension Funds. SSRA stipulates that the formula should be used to compute terminal benefits of all members registered after 1st of July, 2014.

2.4.2 Challenges Facing Social Security in Tanzania

There are challenges facing Tanzanian public pension systems as pointed out here one of them being governance problems. There are obvious signs of too much government interference or intervention in Tanzania. The governments frequently have power over the composition and selection of boards of governors, plus social security schemes administrations, the management of funds and investment decisions. Simultaneously, there are also progressively more positive practices indicative of restrictions on the government intervention. In other cases board of governors and chief executive officers at present enjoy considerable autonomy, subject to contractual and performance arrangements with an overall supervision by Government departments. In as far as investment decisions are concerned, the government has a number of times instructed these pension schemes to invest in specific projects. Very often, Social Security Fund managers have a tendency of investing in assets like real estates which do not give the best profit(URT, 2010). Constant government control in several public social security schemes, conversely, has been put at arm's length by, for instance, the use of legislation that includes investment guidelines, and the institutionalization of separate investment committees. In Tanzania, the main base of distrust in public social security schemes relate to the mismanagement of these funds. There is, for instance, a trend to redirect

sources from one benefit to pay for another benefit, for instance, pensions. This tendency causes delay in paying the retired workers' pension (URT, 2010).

As pointed out above, delay in processing terminal benefits payments has been a major problem (URT, 2010). Deterioration of the social security scheme, as pointed out in different media caused by high administrative expenditures and the lack of budget constraints on administrative overheads have resulted to the worsening of social security fund reserves in various social security funds in Tanzania. Another area that has caused considerable dissatisfaction among retirees and other social security schemes beneficiaries is service delivery. For the most part, the complaints spin more or less on the meagerness of the terminal benefits, delay in disbursement of terminal benefits, the deficiency of the latest information about a particular social security fund to enable employees to choose before they join and the amount an employee is supposed to contribute and projected benefits (i.e. benefit statements). Monthly contribution track records are repeatedly imperfect and it appears that not always properly computerized. There are notable achievements such as: the use of information and communication technology and public conscientization campaigns play a very big role in improving social delivery (URT, 2010). Unfortunately, there is no social security scheme that is implementing this important marketing communication strategy to advance public consciousness, and if it happens that it is done, it is actually in exceptional cases and do not have positive impact to the to the intended people and to the general public. Regulation of social security funds could play a considerable role in compelling social security funds to carry out their duties according to the satisfactory standards and let their clients have confidence with these institutions. Regulation of business

environment, both public and private, is essential to raise transparency and protect beneficiaries. Nevertheless, there is very little knowledge of this in all social security funds in the country. More often than not, social security funds are subject to their governing laws and the supervision of ministries of Local Government, Labor and Finance and regulatory bodies such as Social Security Regulatory Authority (SSRA) (URT, 2010).

2.4.3 The Role of Social Security

The social security is progressively more seen as a means strategy to put in to poverty reduction and sustainable growth. Poverty rises more sharply in the rural areas; the occurrence of rural poverty is significantly higher than that of urban poverty. Inequality also increased. Separately from poverty, vulnerability is of significance when discussion issues linked to social security. The weakness is the risk of falling below the poverty line. Also In addition to those mentioned above, whoever live under the poverty line, large numbers of people, due to their vulnerability, face the risk of becoming poor or face transitory poverty(Gaya, 2011). Even though there is a large need, social security is very limited in the country. There is no general or universal social security in Tanzania. There is no plan aimed at helping the poor by improving governance and presentation of public sector institutions; creating possessions, employment, and income creation opportunities; revamping social safety net systems; and improving access to basic services, though some schemes are run by the government, and also by non-governmental organizations (NGOs) and the personal sector (Gaya, 2011).

The Social security has the key role of providing protection to individuals and their dependents. It provides insurance against social and financial risks and smooth income

flows over the life course. As defensive measure, social security helps permit individuals, households and economies to more fully realize their inherent potential, not least to improve well-being (Knox, 1992).

2.5 Payback of Social Security Funds

Bailey, (2004) argues that income security constitutes one of the major objectives of social insurance – not only in terms of protecting people in their old age but also protecting workers against shocks from unemployment. While non-contributory social pensions and other forms of social assistance are becoming increasingly important, contributory social insurance systems are also expanding to cover those in the informal sector.

Ndiaye *et al.*, (2007) depicts that access to decent health care constitutes the major objectives of social insurance systems. Most African countries adopted policies providing for free health care during the 1960s, but the structural adjustment programs of the 1980s largely abandoned this form of social protection. While formal insurance systems provided protection for a small minority of the population, health-care access deteriorated for the majority in the informal sector.

The introduction of user fees created conflicting impacts, increasing resources in some areas but imposing severe access barriers for many poor households. Inspired by European social health insurance systems, African countries began developing models of Community Health Insurance (CHI) from the late 1980s, and these approaches have proven increasingly successful. The principles are simple: on a voluntary basis individuals or households join a not-for-profit structure to share the financial risk of

individual health-care expenditure; together they decide on the services covered and the contribution charged, Ndiaye *et al.*, (2007)

Social security is used as a tool used to administer and control employment. It is used in organizations to achieve and maintain certain levels of work output. Armstrong (2010) asserts that retirement benefit as a social security assists workers to readjust themselves appropriately into the society after retiring from work. It constitutes an important tool in the hands of management for enhancing workers morale which may lead to efficiency and increased productivity of workers in particular and the organization as a whole. Apart from that retirement benefit is a tool that employers apply to chart-out their corporate social responsibilities (CSR) and thereby attract goodwill. Moreover, social security nowadays plays progressively more significant role in the economy of any nation for the reason that the funds put aside for as retirement benefit could be utilized for the establishment of small enterprises. It can also relieve pressure on the company for individual assistance by instilling in employees a sense of confidence at challenging responsibilities for their future (Armstrong, 2010).

Sterns, (2006) said that if well planned pension schemes could be used to discourage labor turnover. If contributions are remitted properly to the social security schemes by both the employers and employees, then it serves as a general area of joint interest and cooperation and therefore helps to foster better employment relations. Conversely, in the provision of pension as retirees terminal benefit the relationship between the employer and the employee is over and over again affected by such factors as: pensionable and gratuity age, the amount or the percentage of the proposed pension, method of financing, administration of pension and psychological pressure. In social security, the

administration of pension consists of five vital constituents, that is: flexibility, amount of benefits, finance and contribution to cost of pension and gratuity and death benefits. Different schemes offer various strengths; weaknesses, opportunities and threats (SWOT) to its members. (Sterns 2006)

2.6 Empirical Review

The researcher develops this study in order to ascertain the trustworthiness of the topic of her choice and to gather all the essential information and proofs that will be of help to her to prove her study. The researcher will, therefore, use her effort and support this topic in finding related studies from the collections of the conducted research by different scholars. Few studies of great philosophers described their belief that one of the most persistent problems bothering every organization is personnel management. According to Akofi (2005), the efficiency of an organization is determined by the level of performance of its personnel. Thus, maintaining a high level of morale among its personnel is significantly very important. Satisfied and contented people work and perform better.

This statement is related to my topic because of the fact that a uniformed social security system has a high stress for retired employees and therefore their morale must be constantly high. Stress factors and low morale lead to behavior patterns which can adversely affect their life performance and the physical and mental health after retirement. Whitaker (1998) commented that employees will make sacrifice for and be loyal to the organization when they feel that their organization is committed to their welfare, morale and well-being. In his study on the beneficial sustenance for the guards for example he found that, the security administration has always been the clamor

among the rank-and-file. The sample of 50 security guards admitted by the agency, 34% of them very strongly agreed that one of their main problems is the delayed salary and inappropriate social security fund for retired employees. This depicts that social security services for retired employees is not promising to curb their life challenges after retirement. This affects their morale and life performance. (Whitaker 1998)

Talking about the characteristics of private sector schemes Taiwo (2006) said that they had very low compliance ratio. This was mainly due to lack of effective regulation and proper management of the system. The majority of the social security funds related with Provident Fund Schemes, and did not provide for periodic benefits. Moreover, the coverage of the pension schemes left out a lot of private sector workers. Thus, they were not covered by any form of social security scheme. No any form of pension scheme catered for most employees in the formal and informal enterprises. This is due to fact that by design most pension schemes were as resignation schemes and not retirement schemes. The Federal Government in Nigeria formulated different committees at different times to investigate the innumerable problems of pension schemes and submit solutions to move forward (Taiwo2006). The Fola Adeola committee was one of these committees whose report was enacted into the Pension Reform Act (PRA) on the first of July, 2004.

According to Holzmann,et al (2005) the contribution of social security or pensions schemes to relieving poverty in developing countries has been long advocated by the ILO; and more recently, the World Bank. Social pensions have been credited with positive developments in those countries that have introduced them. Johnson and Williamson (2006) discovered that social pensions have contributed to improving

women's health, fighting rural poverty, heightening the status of older people in the family and increasing school enrolment.

On the other hand, Kotey (2005), investigated physically and psychologically trained security guards if they can give the agency operators a great deal of confidence and productivity as per their social security services.

In the business sector, security guards are the "secret business partner" of the investors; for being the custodian or protectors of businessmen's interests, assets and properties. For these, a contented security guard may unwittingly provide valuable aid in the promotion of security services by means of his/her impressive performance that is often difficult to find when he/she is dissatisfied with the job. The finding has shown that most security guards were not satisfied with their future benefit after their retirement; hence, poor work. In our community today, security guards are the "unseen heroes" of our time that through their presence alone, crime and criminalities are reduced, neutralized or prevented. This statement is significant to this topic since it emphasizes the importance of the guards' best performance as well as the management's concern to the general good welfare of its security personnel and therefore, they must be given serious attention for the present and the future benefits (Kotey 2005).

According to Walsh (2009) in the context of Tanzania the overall picture illustrates that only 2.5% of the total populations are covered by one of the existing social security Institutions. This figure presented by Dau (2003) refers to most prominent institutions like the National Social Security Fund (NSSF), the Parastatal Pension Fund (PPF), the Local Authority Provident Fund (LAPF) and the Public Service Pension Fund (PSPF).

The figure does not include the population covered by the National Health Insurance Fund (NHIF).

Tungaraza *et al.*, (2002) estimates that, the formal security schemes cover only 6% of the population and about 5% of the active labor force (including NHIF). In terms of gender, the majority of the people covered are men since women only constitute a very small minority of the work force in the formal economic sector. The general performance of the existing social security institutions in Tanzania is rather poor in terms of coverage, provision of quality benefits and efficiency.

Mitchell and John (2001) study the potential economic consequences of increasing the early Social Security retirement age for workers with health limitations. The study discovers that in the Health and Retirement Study cohort of men and women aged 51–61, the majority is eligible to apply for Disability Insurance, but some men, and 20% of women, are not. The main reason for ineligibility is having insufficient quarters of coverage to qualify for benefits. Stinebrickner and Waidman (2004) on the other hand, examine the impact of increasing the early retirement age. They revealed that increasing the early retirement age, would reduce exits from the work force at age 62 (currently around 60%) by nearly 20%, with little change in Disability Insurance applications. Allen (1992) conducted a research in Ghana on economic security and finds out that the loss of income and insufficiency can lead to economic insecurity. Secondly, one of the greatest causes of economic insecurity is longevity. When people live longer they may out-live their financial means to maintain themselves and their dependants.

The findings from Dau (2003) shows that the general performance of the existing social security institutions in Tanzania is rather poor in terms of coverage, provision of quality benefits and efficiency. There are many problems that limit provision of adequate social protection including lack of budgetary provision. Walsh (2009) on the other hand, shows that the government faces serious financing problem. Currently, the government fails to allocate sufficient budgetary so as to adequately meet the needs of the older people. Walsh (2009) on the other hand stipulated that Government always face management problem in dealing with the effective provision of social security services to older people. *“Too big to fail is too big not to fail. When [social security] get that big, they are inevitably going to fail, because you can’t manage them.”*

2.7 Policies Governing Social Security Terminal Benefits Payments

The Literature review shows that benefit payment usually provided under pension schemes while there are other social security benefits provided under government or state institution depending contingencies covered and policy of that state. The two main methods of providing pensions; are defined benefit pension plan and defined contribution plan. Under a defined benefit pension plan an employer/sponsor promises a specified monthly benefit on retirement that is predetermined by a formula based on the employee's earnings history, tenure of service and age, rather than depending directly on individual investment returns (Taylor, 2009)

It is 'defined' in the sense that the benefit formula is defined and known in advance. The most common type of formula used is based on the employee's terminal earnings (final salary). Under this formula, benefits are based on a percentage of average earnings during a specified number of years at the end of a worker's career. According to (Taylor,

2009) the private sector, defined benefit plans are often funded exclusively by employer contributions. For very small companies with one owner and a handful of younger employees, the business owner generally receives a high percentage of the benefits. In the public sector, defined benefit plans usually require employee contributions.

When participating in a defined benefit pension plan, an employer/sponsor promises to pay the employees/members a specific benefit for life beginning at retirement. In a defined contribution plan the amount of the employer's annual contribution is specified. Individual accounts are set up for participants and benefits are based on the amounts credited to these accounts (through employer contributions and, if applicable, employee contributions plus any asset earnings on the money in the account. Only employer contributions to the account are guaranteed, not the future benefits. In defined contribution plans, future benefits fluctuate on the basis of investment earnings. The most common type of defined contribution plan is a savings and thrift plan. Under this type of plan, the employee contributes a prearranged portion of his or her earnings (usually pretax) to a personal account, all or part of which is then matched by the employer.

Fixed contributions are paid into an individual account by employers and employees. The contributions are then invested, for example in the stock market, and the returns on the investment (which may be positive or negative) are credited to the individual's account. On retirement, the member's account is used to provide retirement benefits, sometimes through the purchase of an annuity which then provides a regular income. The defined contribution plans have become widespread all over the world in recent years, and are now the dominant form of plan in the private sector in many countries. For example, the number of the defined contribution plans in the US has been steadily increasing, as more

and more employers see pension contributions as a large expense avoidable by disbanding the defined benefit plan and in its place offering a defined contribution plan (Taylor, 2009).

The terminal benefit contributed from employee salary deferral and from employer contributions. The portability of definite contribution pensions is legally not different from the portability of defined benefit plans. However, because of the cost of administration and ease of determining the plan sponsor's liability for defined contribution plans (you don't need to pay an actuarial fee to calculate the lump sum equivalent with the aim of what you do for defined benefit plans) in practice, defined contribution plans have been generally convenient (Taylor, 2009).

According to ILO (2000), recommendation No. 67 concerning income security, methods as long as benefits mostly depend on contingencies covered and principle applied. For example, the range of contingencies to be covered by social insurance should embrace all contingencies in which an insured person is prevented from earning his living, whether by inability to work or inability to obtain remunerative work, or in which he/she dies leaving a dependent family, and should include certain associated emergencies generally experienced which involve extraordinary strain on limited incomes. In so far as they are not otherwise covered benefit provided by social insurance may be closely adapted to the variety of needs; contingencies covered should be classified as follows: sickness, maternity, invalidity, old age, death of bread winner unemployment, emergency expenses and employment injuries.

The development of benefits shows that under old age, survivors' pension, and disability insurance (OASDI) scheme in U.S.A, now provides more different social security benefits than when started in 1937. It provides a monthly retirement benefits for retired workers, monthly disability benefit for a disabled worker, monthly spouse's benefit for a retired or disabled worker's spouse if at least 62 years old, monthly child's benefit for a retired or disabled worker's child if the child is under 18 years or age 18 and a full time high –school, age 18 or over and disabled if the disability began before age 22. The requirements for a person to qualify retirement benefits are, he/she must be fully insured, he/she is at least age 62 through the first month of entitlement, and he/she has filed application for retirement benefits (ILO, 2000).

The development of benefit payments around the world shows that mostly social security benefits provided under pension system. For example, pension system in the countries of the European Union differ in many aspects such as coverage, financing, qualifying conditions, extent of public involvement, level of old age and survivor benefits, and type and level of minimum pension (U.S. social security administration, 1995; European Economy 1986; and Ploug and Kvist, 1996). While there is a little uniformity in those rules essentially there are three systems which can be identified; firstly, corporatist pension scheme, which offer a contribution related old age benefit and survivor benefit to the employment. Secondly, the universal pension scheme which offer basic old age benefit and (usually tax financed). Thirdly, mixed systems which offer a basic benefit and a (smaller) supplementary contribution related old age benefit and survivors benefit. Corporatist systems focus on maintaining the standard of living (after

retirement and after death of the insured spouse, universal system on securing a basic income in old age and mixed systems on combinations of both (ILO, 2000).

According to Bedee *et al.*, 1995 livelihood standard continuation is the main element of the Bismarck Social Security philosophy while avoidance of poverty is the major goal of the beverage approach. Other country like Norway establishes National Insurance Scheme (NIS) and Child Allowance Scheme. These schemes established under National Insurance Act of 17 June 1966 as a Social Security Schemes which financed by contribution from employee, self employed persons and other members, employers contribution and contribution from the state. Under NIC they have 12 social security benefit granted to the beneficiary, old age pension, survivors benefit, disability benefits, rehabilitation benefits, medical benefits during sickness and maternity, daily cash benefit in case of sickness, daily cash benefits in case of maternity unemployment benefits, occupational injury benefits, benefits to single parents, funeral grant and child allowance.

In Portugal, the Portuguese social security system is a public system set up directly by the Government that covers all individuals looking in Portugal. But the social security contribution is compulsory and contribution regarding employed individuals calculated on the Gross remuneration received on a monthly basis at a rate of 34.75 percent (23.75% in due by the company and 11% by the employee). Social security benefits provided by this scheme are old age pension Disability, sickness allowance, unemployment benefit and family allowances (Bedee *et al.*, 1995).

Netherlands has statutory social security system that consist three schemes, namely, employee insurance scheme which employees are entitled to a benefit in case of sickness, disability, unemployment and medical expenses. National Insurance scheme which each resident of the Netherlands is entitled to a benefit in case of disability, old age, death, exceptional medical expenses, and child support. This scheme does not have a general basis. The benefits are income support benefits, benefits for elderly long-term unemployed persons, scholarship for students and supplementary benefits. These are financed from General fund. The employee insurance scheme and National Insurance scheme, financed through contributions paid by insured people (Bedee, *et al.*, 1995).

The increase of benefit payments in Tanzania, well-known different social security schemes, which the membership mostly based on, employed people. All schemes established under the Act of Parliament as corporate bodies, and each Act stipulates clearly who will be the member of each scheme established and what kind of contingencies covered, benefits provided and qualifications required to qualify for such benefits. For example, the “Public Service Pension Scheme” was established under Public Service Retirement Benefits Act No. 2 of 1999. The scheme covered all employees of Central Government and Government Agencies who are employed under permanent and Pensionable terms. The benefits conferred under PSPS are old age, invalidity, death gratuity and survivors’ pension, funeral grants, and withdrawal benefits (PSPF, 2012).

The age of retirement is 55 years’ voluntary and 60 years compulsory (Sec 17). Other scheme is Parastatal Pension Fund (PPF) scheme established under pension Act No. 14 of 1978. This scheme covered all employee of parastatal organization employed on

permanent terms and self-employed as the Act amended 2002. The benefits conferred under this scheme are old age benefit, death gratuity and survivor's pension, withdrawal benefits. Also there is a National Social Security Fund (NSSF) established under Pension Act No. 28 of 1997. This scheme covered persons who are self employed or employed in the private sector, none Pensionable employee in the government service and Parastatal organization.

The benefits payable under this scheme are Retirement pension, invalidity pension, survivors' pensions, funeral grants, maternity benefit, employment injury benefit and health insurance benefits (sec 21) and government employees provident fund was established under cap 51 of 1942 (Tungaraza, *et al.*, 2002) to provide for the benefits of government employees who are not eligible for pension. These include employees working under contracts or under operational service for the central government, independent government departments, executive agencies, and such other employees categorized as non-pensionable.

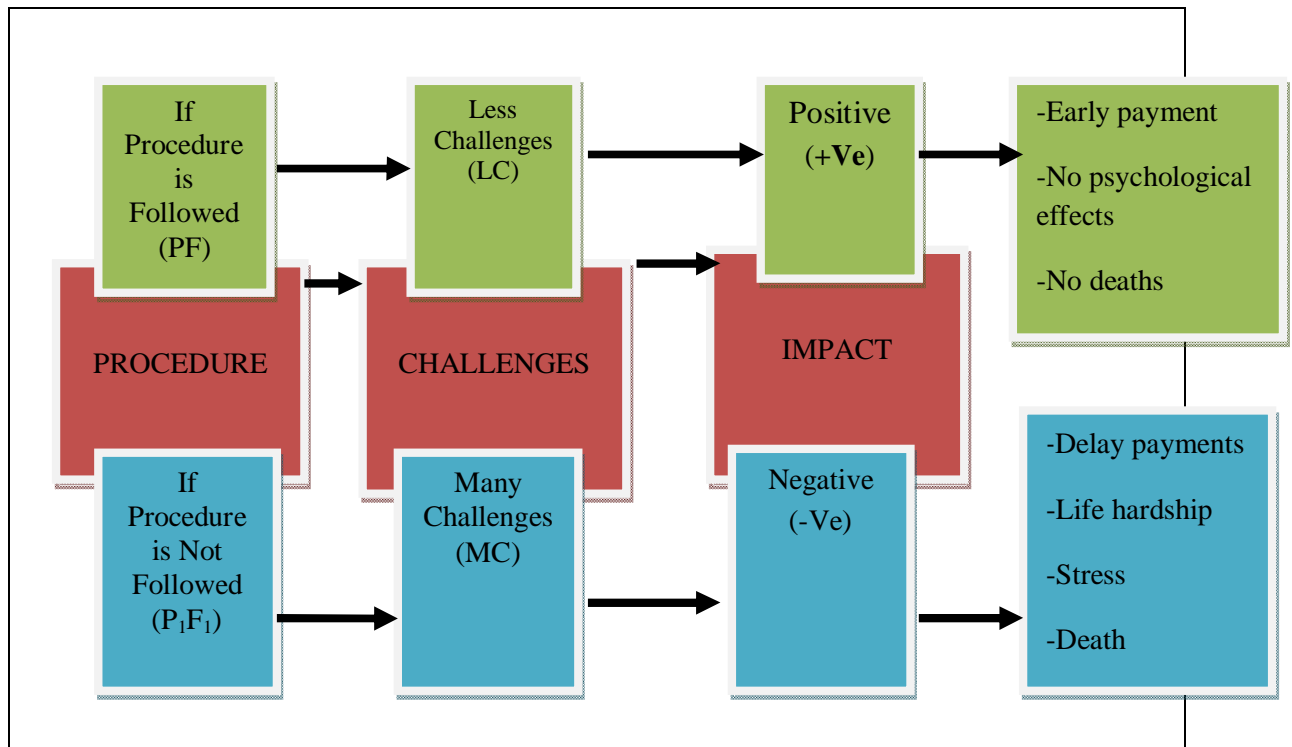
The right to social protection conferred under the charter of the United Republic of Tanzania of 1977, as amended in 1984, 1995 and 1998, should also confer the right to benefits. Tungaraza, *et al.*, (2002) argue that the scale of benefits payable under the different schemes should be known to members. Benefit formulae and conditions for payment should therefore be clearly spelt out in the laws establishing the respective schemes. Protecting the rights of the beneficiaries is the main responsibility of any social security scheme and benefits should be paid promptly. Mechanisms for appeal should be established in the law so that aggrieved contributors plus beneficiaries be able to pursue their rights.

2.8 Conceptual Framework of the Study

2.8.1 Conceptual Model of Challenges Faced by Retirees

This study is guided by the Conceptual Model reflecting challenges faced by retirees. This conceptual model shows that if the procedure is properly followed (PF) by the retirees, employers, Social Security Funds and the Government in lodging the retirement benefits there will be less challenges. On the contrary, if the procedures not followed properly, this will result into many challenges. Eventually this can negatively impact the retired Primary School Teachers in Hanang District (See Fig. 2.8.1).

Figure 2.8.1 Conceptual Model of Challenges Faced by Retirees



Source: Developed by researcher 2016

Key

PF- Procedure are followed

P₁F₁ – Procedure not followed

LC- Less Challenges

MC- Many Challenges

2.9 Summary and Knowledge Gap

The literature show that the challenges facing retired employees in accessing their pension benefits is a combination of factors facilitated by employer, employees themselves, available policy and laws as well as Pension institutions.

The literature on the social security services for retiring employees demonstrates the important role that employers and the Government in particular has in dealing with retirement benefits for retired employees. It also manifests the process and challenges of accessing retirement benefit, the future life after retirements and the life challenges retirees face. Yet, there are researches done on challenges facing pensioners, but they were not examining the process of retirement on social security fund to retired employees with focus to current social security system, challenges on adequate provision of appropriate social security services to the retired employees and finally the strategies used by the government to curb the existing gap in the cause of provision of social security services to retirees particularly in public and private institutions. Therefore, this study aims at filling these gaps by investigating the subject in Hanang' District. In this chapter, the review of related literature on social security services for retiring employees has been looked into. Similarly, the gaps in the existing body of knowledge have been clearly revealed. The next chapter drew much attention on the research methodology of obtaining research data.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodological procedures used in the collection and analysis of the data. It covers research design, location of the study, the target population, sample and the sampling techniques. It further focuses on validity and reliability of the study instruments as well as ethical issues.

3.2 Research Design

The research design is the conceptual structure within which research is conducted. It constitutes the blueprint for the collection, measurement and analysis of data. As such the design includes an outline of what the researcher will do from writing the hypothesis and its operational implications to the final analysis of data (Kothari, 2004). This study used descriptive research design in which a case study design is used so as to enable the study to conduct in-depth investigation and this involved the use of different methods of data collection, sampling procedures, the data analysis and presentation.

The design enabled the researcher to collect in-depth information using a variety of data collection techniques, namely, questionnaire, observations, interviews and documentary review within a specific area so as to get detailed information and a comprehensive picture pertaining to social security system for retired teachers in Public Service Pension Fund (PSPF). It also allowed the researcher to triangulate various data sources and methods to off-set the weaknesses inherent within one method with the strength of the other method.

3.3 Research Approach

The study employed both quantitative and qualitative approaches. Qualitative research entails a means for exploring and understanding the meaning, individuals or groups ascribed to a social human problem (Creswell, 2003). The qualitative approach dominated a large part of this study as the study sought to generate the general theme from the analysis and interpretation of the collected data on the challenges facing retired teachers in processing terminal benefit of their pension in Public Service Pension Fund (PSPF). Thus, it facilitates gathering the views of participants through interviews, questionnaires, documentary reviews and observations. Therefore, the approach made it possible for the researcher to use strategies approach to confirm, cross-validate or confirm findings within a single study as Creswell (2003) posits it.

3.4 Area of the Study

The study was conducted in Manyara Region-Tanzania. According to the Manyara Region Profile (2010), the region is among the leading regions in terms of poor efficiency on Social Security System for retired employees. This condition provides the justification for the selection of Manyara Region as the strategic study area. Also, the area was selected due to proximity to the researcher's working area. Thus, it reduced cost. Basically, Manyara Region comprises six administrative districts: Hanang, Mbulu, Kiteto, Simanjiro, Babati (Urban) and Babati Rural. The study employed simple random sampling technique to select three divisions out of five divisions available in the region. Finally, the selected divisions were Bassutu, Katesh and Balangda Lalu.

3.5 Target Population

Target population refers to the large group to which the researcher wishes to generalize the results of the study (Kothari, 2004). For this study all retired teachers in Hanang' District, specifically those residing in three divisions were the study population. It also included Teacher's Service Department (TSD) Officer, Chama Cha Walimu (CWT), District Human Resource Officer (DHRO), PSPF Officer and the household of retired employees. These varied groups of participants provided the sufficient information on the procedures, challenges and the impact of challenges to retired employees and their household in Hanang' District.

3.6 Sample and Sampling Procedures

Ary *et al.*, (1996) assert that since it is not possible to deal with the whole population in a research; there were need to identify a portion of the population called a sample. The sample represents the actual characteristics of the whole population (Cohen *et al.*, 2000). Best and Khan (2006) posit that the size of adequate sample depends upon the nature of the population of interest for the study. In the present study, the selection of the sample considered factors such as the information required, the purpose of the study and the time frame.

Sample for this study was drawn from retired teachers, TSD officer, DHRO, PSPF Officer, CWT Officer and four household members of retired teachers. The study involved 32 respondents who were selected by using purposive and snowballing sampling procedures. The purposive sampling was used to select four (4) management personnel that include DHRO, TSD, CWT and PSPF officers. Through snowball sampling technique, 24 retired teachers and their four (4) household members were

obtained where by the retired teacher were traced by the researcher as she was directed by a fellow retiree from the initial contact until a point of saturation was reached.

Table 3.1 : The Distribution of Respondents

Respondents	Male	Female	Total
Retirees	14	10	24
Households	2	2	4
DHRO	1	0	1
TSD	0	1	1
CWT	0	1	1
PSPF	1	0	1
TOTAL	18	14	32

Source: Field data, 2016

3.7 Data Collection Methods

According to Cohen, et al. (2000), the data are facts, figures and other relevant materials, past and present that serve as bases for the study and analysis. He further states that the data may be classified into primary and secondary sources.

3.7.1. Primary Data

Primary data are first-hand information collected through various methods, namely, interviews, questionnaires, observations and documentary review. They are directly collected by the researcher from the original sources (Cohen *et al.*, 2000). In this study primary data were collected using semi-structured interviews and questionnaires.

3.7.1. 1 Semi-Structured Interview

Semi-structured interviews involved a set of questions that were administered through oral/verbal with 8 respondents including TSD Officer, DHRO, CWT and PSPF officers and four children of the retirees. It maintains more information in a greater flexible manner as it allows the participants to give more information needed by the researcher (Kothari, 2004). In connection to this study, semi-structured interviews employed to obtain rich and breadth information from, TSD, DHRO, CWT, PSPF officer and families of retired employees. Each interview session took about 50-60 minutes. It was held in different places where participants were easily reached. For instance, an interview with TSD Officer, DHRO, CWT and PSPF officer was conducted in their respective offices during week days.

3.7.1.2 Questionnaires

This is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Kothari, 2004). In this study researcher obtained data through questionnaires where by open ended questionnaires were employed, in order to capture basic information on the background, brief pre and post retirement data. This covers 24 respondents from three divisions who were the retired primary school teachers. Among them there were 14 males and 10 females.

3.7.2 Secondary Data

Secondary sources of data are second-hand information which collected and compiled for other purposes. Such sources include books, encyclopedias, newspapers, periodicals and compiled statistical statements and reports. Secondary information and data are those provided by a person who did not directly observe the event, object, or condition (Nsubuga, 2000). In this study secondary data was collected using documentary review.

Documents reviews in this study include *general act of social security funds, act for social security fund (PSPF)* and *records of the retired teachers between 2009 and 2016*.

3.8 Data Analysis and Presentation

According to Kothari (2004) data analysis is a process that implies editing, coding, classification and tabulation of collected data. It is a process which involved scrutinizing the acquired information and making inferences. Basing on both quantitative and qualitative approach, the data were collected through questionnaires, observations, interviews and documentary review. Both quantitative and qualitative data were used in interpreting, verifying and illustrating the qualitative findings. In the context of this study, the data regarding the character of social security system for retired teachers with focus on assessment of the challenges faced by retirees in processing their pension were analyzed by both quantitatively and qualitatively.

3.9 Validity and Reliability

The process of testing the validity and reliability of the study instruments was done through a pilot study at Katesh division in Hanang District, in Manyara Region, since it is assumed to have characteristics similar to the intended area for this study. The instruments of the study in particular interview schedules and documentary review were tested to DHRO, Teachers Service Department (TSD) while questionnaire were employed to the retired teachers. The validity and reliability of instruments is done so as to look at their relevance, consistency and validity of the instruments to be administered for ease of elaboration, clarification and proper interpretation. Furthermore, the instruments were then presented to the supervisor for further comments and refinement.

Changes and necessary adjustments were made and incorporated accordingly through triangulation before the instruments are actually administer to the respondents.

3.10 Ethical Issues Consideration

As said elsewhere, ethical issues are very crucial in any research work involving human beings. Similarly, in this study ethical procedures for conducting research were observed during the process of preparation and conducting field study as described in subsequent sections.

3.10.1 Research Clearance Letters

In this study, all important procedures for undertaking the research were carefully observed before conducting the research. Before going for data collection, permission was requested from the Open University of Tanzania authority where the researcher obtains a research clearance permit introducing her to the Hanang District Executive (DED). The DED then issued an introductory letter to the three division secretaries of Hanang District from which the researcher was given to conduct this research in the respective areas.

3.10.2 Confidentiality

The researcher ensured confidentiality about the information to be given by respondents during data collection in the field. Therefore, even before giving out information the respondents assured that the information that they provided would be confidential and private, and thus it would be only for the research purposes.

3.10.3 Anonymity

The issues of anonymity (secrecy) were carefully observed by the researcher in reporting the research findings. For example, the names of employees were not used instead, their titles were used. Divisions were mentioned by names (See section 4.2.1).

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter presents and analyses the major findings from the study. The analysis, discussion and interpretation of the data collected are very important as they help to answer the research questions and verify their validity. As argued by Meda (2011), once the questionnaires or other measuring instruments have been administered, the mass of raw data collected must be systematically analyzed, discussed and interpreted in a manner that bring meaningful information required by the researcher from the study undertaken. It is from the result of such analysis and discussion that the researcher is able to present the meaningful findings.

Therefore, in order to accomplish this task, this chapter is organized into four sections, namely, demographic characteristics of the respondents, current procedure of processing pension benefits in PSPF, challenges faced by pensioners in accessing pension benefits, and the impact of the social security fund challenges to the retirees and other stakeholders. Thirty two (32) respondents participated in this study. Their selection was done through purposive and snowball sampling procedures. The presentation of the findings is based on specific objectives and the research questions.

4.2 Demographic Characteristics of Respondents

Describing the demographic characteristics of respondents was considered as of paramount important in this study. An emphasis was placed on age, gender, education and years of service before retirement (experience) of respondents. There was an

assumption that these variables would facilitate the conceptualization of the problem and challenges faced by retirees in accessing social security benefits in Tanzania.

4.2.1 Distribution of Respondents by Age

A question on age was asked. The findings revealed that 24 (75%) respondents were aged between 60 and 66 years. Eight (8=25%) respondents were below the retiring age. Out of which four (4=12.5%) were children between 10 and 20 years, four (4=12.5%) were government officers from TSD, DHRO CWT and PSPF officers aged between 30 and 50 years (See also Table 4.2.1). This implies that, the majority of the respondents were old and retired teachers who were not actively involved in production and were using PSPF pension scheme. Most of the respondents were sixty years and above because these had information that was hard to come by from other age groups. This corresponds with URT (1999) Section 17 the Public Service Retirement Benefits Act which maintains that retirement benefit shall be payable to a person who being a member attains the age of 60 years old. These are benefits as to compulsory age of retirement.

Table 4.2.1 (a) : Distribution of Respondents by Age

S/N	Age	(%)
1.	1- 20 Yrs	4 (12.5%)
2.	21-50 Yrs	4 (12.5%)
3.	51 Yrs and Above	24 (75%)
4.	TOTAL	32 (100%)

Source: Field work data, 2016

A comparative analysis show that these retirees came from different divisions, namely, Katesh with eight (8=25%) respondents, Bassotu with eight (8=25%) respondents and eight (8=25%) respondents from Balang'da Lalu as indicated in Table 4.2.1b below. Most of the retirees were Primary School Teachers. This study did not cover retirees from secondary schools. This is due to the fact that there were very few secondary schools in the areas; hence, it could not be easy to obtain adequate number of retired teachers.

Table 4.2.1 (b): Distribution of Retirees by location

S/N	Respondents	Male	Female	TOTAL
1.	Bassotu	5 (16%)	3 (09%)	8(25%)
2.	Katesh	3(09%)	5 (16%)	8(25%)
3.	Balang'dalalu	6 (19%)	2 (06%)	8(25%)
4.	TOTAL	14 (44%)	10 (31%)	24 (75%)

Source: Field work data, 2016

4.2.2 Respondents by Gender

A sub question on gender was asked because according to Bukwimba (2016) female seem to live longer than males as the number of death in male is higher than in female. It was also noted that the employment rate for women is 12.6% (URT, 2008). Therefore, it was important to check the number of women who retired after being employed for years. However, data from observation showed that in the area under study there were more male retirees than the female ones. The findings from questionnaires show that 18 (56%) respondents were male retirees and 14 (44%) were female as captured in Table 4.2.2 below. The reason as established from the data through interview was that in the

past very few women were employed. This was mainly caused by cultural reasons where girls were forced to get married after completing their primary school.

Table 4.2 2 : The distribution respondents by Gender with percentage

S/N	Respondents	Male	Female	TOTAL
1.	Retirees	14 (44%)	10 (31%)	24 (75%)
2.	Children	2 (06%)	2(06%)	4 (12.5%)
3.	Government Officers	2 (06%)	2 (06%)	4 (12.5%)
4.	TOTAL	18 (56%)	14 (44%)	32(100%)

Source: Field work data, 2016

4.2.3 Distribution of Respondents by Gender and Level of Education

There is a close link between retirement and level of education. Basically, education is associated with income, health and retirement longevity. Higher education attained by an employee during working life has greater implication on terminal benefits (Bukwimba, 2016). Therefore, a question was asked to establish the level of education of the respondents. The findings revealed that 20 (84%) respondents were Grade III A. About four (4=16%) respondents were holders of Diploma and Bachelor Degree as depicted in Table 4.2.3 below. Additional data from interviews with over two third of the respondents revealed that the majority of the Grade III A completed Standard Seven or Primary School. They were then up-graded to Grade III C and then up to III B before they were finally promoted to Grade III A. It is only 16% of Grade III A teachers who completed Secondary School. A comparative analysis showed that there was no big discrepancy between males and females in terms of level of education. In primary schools the requirement is form four with a certificate in teaching but in other schools Grade III A teachers were dominant.

Table 4.2 3 : Distribution of Respondents by Gender and Level of Education with percentage

S/N	Level of Education	Respondents by Gender		TOTAL
		Male	Female	
1.	Bachelor Degree	1(4%)	0 (0%)	1 (4%)
2.	Diploma in Educ.	2 (8%)	0(0%)	2 (8%)
3.	Diploma in Adult Educ.	1(4%)	0(0%)	1(4%)
4.	Grade III B	0 (0%)	0(0%)	0(0%)
5.	Grade III A	10 (42%)	10(42%)	20(84%)
6.	TOTAL	14 (58%)	10 (42%)	24 (100%)

Source: Field work data, 2016

4.2.4 Respondents by Years of Service before Retirement

The assumption of this study was that teachers had adequate experience gained while working. This would help the researcher to get the understanding of teachers on the procedures for processing their retirement benefits given their long serving experience. The data were therefore collected from teachers with different work experience and location so as removed bias. The findings revealed that 54% of the respondents had been working in the teaching career for nearly 40 years. In addition, the findings demonstrated that 38% of the respondents served between thirty one and thirty five years whereby 8% of the respondents worked between twenty five and thirty years as illustrated by the Table 4.2.4 below.

Table 4.2.4 : Distribution of Respondents by Years of Service before Retirement with percentage

S/N	Age Group	Male	Female	TOTAL
1.	25-30 Years	0	2	02 (8%)
2.	31-35 Years	7	2	09 (38%)

3.	36- 40 Years	7	6	13 (54%)
4.	41-50 Years	0	0	0 (0%)
5.	TOTAL	14	10	24 (100%)

Source: Field work data, 2016

4.3 Procedures in Processing Pension Benefits in PSPF

A question on procedures followed in processing Pension Benefits was asked. It was addressing the first specific objective of this study.

4.3.1 Contribution Procedure

In Tanzania, for a long time, the social security sector lacked co-ordination at national level as each Fund scheme reported to different Ministries with differing operational rules and procedures. As a result, contribution rates benefit structures, qualifying conditions as well as plans and priorities differed from one institution to another. This is also justified by a study by Bandawe (2010) who maintains that of all the National Social Security Fund (NSSF), Parastatal Pension Fund (PPF), Public Sector Pension Fund (PSPF), Local Government Provident Fund (LAPF) charge 20% contribution rate, National Health Insurance Fund (NHIF) charges 6%, Government Employees Provident Fund (GEPF) charges 25% and Zanzibar Social Security Fund (ZSSF) charges 15%. Moreover, of all the Social Security Fund, GEPF has high contribution rate of 25% as demonstrated in Table 4.2.5 below.

Implicitly, this means that GEPF retirees/ members get the highest benefits. Conversely, findings from URT (2003) showed that some employers provide remunerations composed of basic salaries and allowances, while deductions for social security are based on basic salaries only. This leads to lower benefits from social security institutions

upon retirement. Generally, drawing from Dau (2003) presentation, the NSSF (2010) Annual report showed that still there is unfair competition among the Social Security Funds in the registration of members.

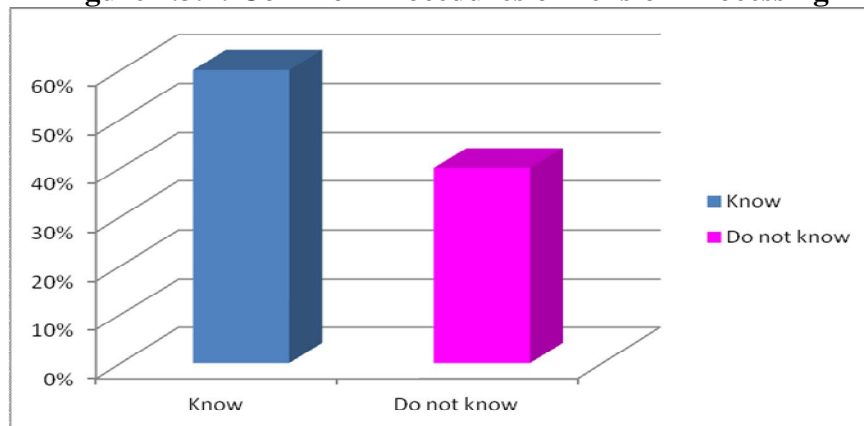
Table 4.2.5 : Distribution of different Categories of respondent by gender

Name	Year	Coverage	Membership	Contributions		
				Rate (%)	Ees	Ers
NSSF	1964	Private	400,000	20	10	10
PPF	1978	Parastatal and private	60,000	20	5	15
LAPF	1944	Local Government	40,000	20	5	16
NHIF	2000	Government	275,000	6	3	3
GEPF	1942	Police and prisons	15,000	25	10	15
PSPF	1999	Central Government	215,000	20	5	15
ZSSF	1998	Government and private	46,000	15	5	10

Source: (Bandawe, 2010)

4.3.2 Common Procedures for Pension Processing

The findings revealed that 19 (60%) respondents that they know procedures that have to be followed before one received the retirement benefits. About 13 (40%) said that they were not aware of the procedures to be followed as indicated in Figure 4.3.1. These are the ones who ended up delaying getting their retirement benefits.

Figure 4.3.2: Common Procedures of Pension Processing

Source: Field work data, 2016

More specifically, the findings from questionnaire with three quarters of the respondents show that there are common procedures involved in processing retirement benefits. Evidently, they said employee (expected retiree) is supposed to:

- a) Understand terms of service which determines the mode of payable terminal benefits payment
- b) Know the date of birth which will enable the employer and employee to know the date of retirement
- c) Give notification to employer (through a letter of notification) six months before retirement date and present PSPF member card. Apart from the employees the employer also has a responsibility of reminding an employee of the date of retirement. He has to write a letter of termination or otherwise once notification letter from the employee is received. Employers also has a role of filling retirement forms/data sheets within six months and submit them to PSPF and ensuring that all the required documents are in place and intact. Other documents required from retirees include; a letter for first appointment, confirmation letter, letter of last

promotion, copy of and bank card. Others are one colored passport size, letter of retirement permission from Public civil Servant and PSPF Form no 6 as it shown in PSPF (2003)

- d) An employee is then given one month leave before retirement after which the retirement follows.
- e) Mode of payment of gratitude is by Check (PSPF provide employer a check and the employer submit it to retired employee)

The above findings correlate with the procedures followed by Public Service Pension Funds (PSPF) which was established by the Public Service Retirement Benefits Act No. 2 of 1999 to provide for contributions to and payment of pensions, gratuities and other benefits in respect of the service of officers in the Public Service (URT, 2010).

On the other hand, another officer who had experience of ten years working with civil servants explain that, payment of the retirees should be done within a one week after their retirement, moreover he explain that if the employer collect the documents on time the payment will be early as within a week because the PSPF office usually prepares the budget in a yearly basis.

4.3.3 Pension Scheme

The findings from interviews with two third of the respondents show that pension schemes are divided into two: The first scheme is lump sum in which the employees are given once after retirement. The second part of the pension is that one which the employees are receiving after every one month. It was observed that payment of retired teachers was mostly done between two and five months after retirement. It was also

noted that other retirees received their gratuity between six (6) and twelve (12) months. This was many months late after they retire as pointed out by one retiree:

“I have stayed for so long time without being paid my pension, since February 2015 till this year March 2016, I was staying without anything, I have made follow-up to my employer I was told to wait for a moment my payment was late because of general election. From there I stayed for three months and again made follow-up to the Regional PSPF office where they told me to wait because the Government had no money ... ”

Social Security Theory

The above responses concurred with the theories of social security including positive theory of social security which basically relates retirement benefits with retiring from work. Here, it is a procedure which workers know that when young they have to serve money. This is done through the monthly contribution they pay to social security funds. They do so because when they become old when skills level decreases with age they will be required to retire. If he contributed to SSF, a retired worker gets all his terminal benefits based the monthly contributions he/she paid while working. This is encouraged by social security transfers.

4.4 Challenges Faced by Pensioners in Accessing Pension Benefits

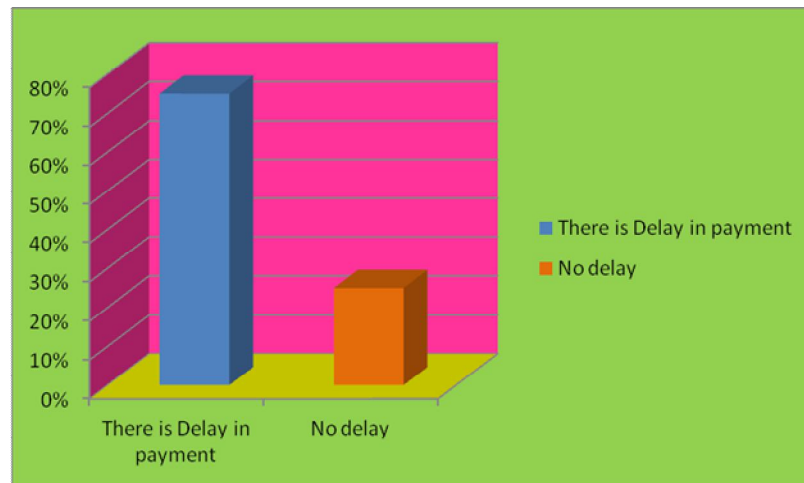
Considerable challenges face Tanzania public pension system. There is a substantial dissatisfaction among the members and other beneficiaries of public pension schemes. Most of the complaints revolve around the inadequacy of benefits, delays in payments,

lack of update information about the schemes and the amount of individual contributions made and estimated benefits statements. Contribution records are often incomplete (Gaya, 2011).

4.4.1 Delays in payment

Pensioners are overwhelmed with a number of challenges including delay in payment. As pointed out by 75% of respondents delay in payment of their monthly pension is a common occurrence. Only 25% of the respondents said that they get their pension timely as presented in Figure 4.4.1 below.

Figure 4.4.1: Delays in Payments



Source: Field work data, 2016

The findings from interviews with PSPF officer showed that in principle a retiree is paid within one week if an employer sends his/her employees retirement notification earlier. However, it was noted that Teachers' Service Department (TSD) who are responsible for processing retirement benefit delay in sending the required retirees records to PSPF. As

a result a delay in payment of up to six months can happen. One retiree who was over 60 years old said that:

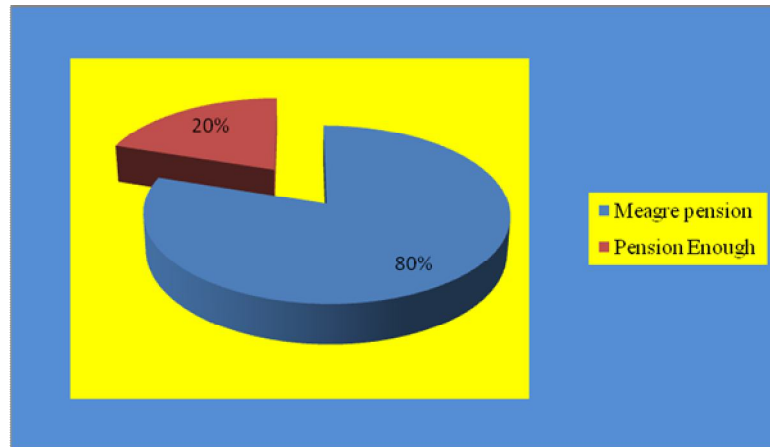
“....I retired in September last year (2015) but I have not yet received my pension despite the frequent visits I make...”

Additional findings from interview to one of the CWT officer revealed that some of the workers who retired stayed for nearly between six and twelve months before they received their commuted pension gratuity or monthly payments since they left their jobs. These findings correlate with the findings from the Trade Union Congress of Tanzania and Social Security Regulatory authority which show that PSPF has failed to pay its members due to the government failure to settle its debts citing part of the debt as included the Tsh 534 Billion injected to finance the construction of Dodoma University (UDOM) (Gaya, 2011). These findings also correspond with Rwegoshora (2016) views that client care and service delivery are the areas that have generated a lot of dissatisfaction among the members of the social security funds. One of the most common complaints is delay in payment.

4.4.2 The Inadequacy of Benefits

Retirees in Tanzania obtain meager pension benefits (URT, 2010). The findings showed that 26 (80%) respondents maintained that the monthly pension given to retirees is small. Only six (6=20%) respondents said that the pension was adequate as indicated in Figure 4.4.2.

Figure 4.4.2: The Inadequacy of Benefits



Source: Field work data, 2016

The implication is that only few Tanzania pensioners enjoy life after retiring and majority suffers in poverty. After putting their energy into active service for the better part of their lives, one would have expected the retirees to be well rewarded. Their immediate return would be by way of salaries and wages while they were working, and in the long term their rewards would be by ways of pension and gratuity payments when they retired but that is not the case today. Pensioners move from office to office in desperate hunt for meager pension. It is evident that retirement which normally should mean joy or happiness has become the equivalent of sorrow, frustration, panic and agony. The above findings correlate with the argument raised by (Domasa, 2013) whereby the then Minister of finance Dr. Mgimwa was advised to ensure the government to revisit the amount of pension it pays to its retirees especially those who stopped working before 2006 who are said to be receiving 80% of their salaries. An example given was of retired General Mrisho Sarakikya who is being paid a meager monthly pension of Tshs. 50,000/=.

4.4.3 Bureaucracy

Bureaucracy is a deep rooted problem in Social Security Funds. Due to bureaucracy it is difficult for members to promptly reclaim their contributions and obtain their funds after resigning, retiring from work or after death. The process of finalizing terminal benefits of retirees continues to be problematic and bureaucratic. Pensioners are faced with the problem of long bureaucratic procedures. It takes too long both in terms of time effluxion before benefits are received, and bureaucratic and even unnecessarily complicates the approval of the pension benefits (URT, 2010; Kakooza, 2010). The data from interview with three quarters of the respondent's showed that currently, procedures for processing pension benefits were long. A pensioner is required to submit an application six months before retirement. The paperwork involved and the bureaucracy that one goes through complicates the whole process.

4.4.4 Lack of Pension Awareness

While participation in pension schemes is mandatory, empirical evidence showed that there is limited pension awareness among employees on the type of pension fund to join. As a result employees join the pension fund that they are not interested with. When respondents were asked to say where they got information about the fund they joined nearly a half of them said that they got the information at the work place, from colleagues, trade unions, peers and personal analytical abilities. Not only that but also the retirees were not well informed on their own pension plans. Usually, a person is aware of his/her pension if he knows the amount of pension income, how high the costs are, and how long he/she can last with this income after retirement. Sometimes, pensioners lack knowledge and information on how to even begin processing pension benefits. This is identified as one of the reasons for not claiming pension on time.

4.4.5 Falling Household Income

The findings from 24 (75%) respondents show that their income had greatly reduced. The remaining 8 (25%) respondents said that their income is not reduced. On probing further it was noted that it was subsidized by their private projects and investments they started before retirement. The findings from questioners with retired teachers showed that for teachers who were earning between 900,000/= and 1,500,000/=: they received a monthly pension of 41% of their respective final salary before they retired.

An interview with PSPF Officer showed that the lowest monthly pension was between 50,000/= and 100,000/=. Retired teachers said that despite the reduced income yet they had to carry out family responsibilities. They lost a secure source of income that made them productive as workers. Unfortunately, they said they still had many financial responsibilities amidst reduced income. More clearly, they said that a large share of income goes to school fees. Drawing from the findings above, it is evident that school fees placed a lot of demand on the retirees; hence, making life challenging. These findings correspond with the study done by Muthondeki *et al.* (2014) that falling household income could leave workers worse in retirement. The continued role of providing for the family amidst reduced economic resources is a major challenge to retirees.

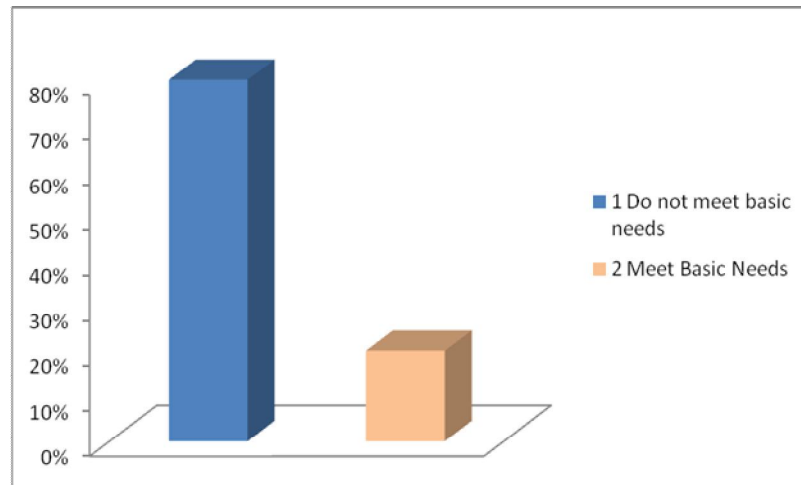
4.5 Impact of the Social Security Fund Challenges to the Retirees and Other Stakeholders

4.5.1 Desperate life

The findings demonstrated that there was statistically significant relationship between delay in pension and desperate life among the retirees. More specifically, the data from

80% of the respondents indicated that retired teachers cannot meet their basic needs due to delay in pension payment while only 20% of the respondents said they can meet their basic needs as presented in Figure 4.5.1 below. Additional findings from questionnaire with three quarter of the respondents revealed that many teachers are virtually forced to live very precarious lives as they cannot meet their basic needs due to the delays in pensions and falling in household incomes. It was revealed that some of the teachers retired twelve months ago but they were yet to receive their pension. They have been making several follow-up visits to the pension funds, but all in vain. This is despite the great service they have offered to the nation in the past.

Fig. 4.5.1: Retirees Desperate life



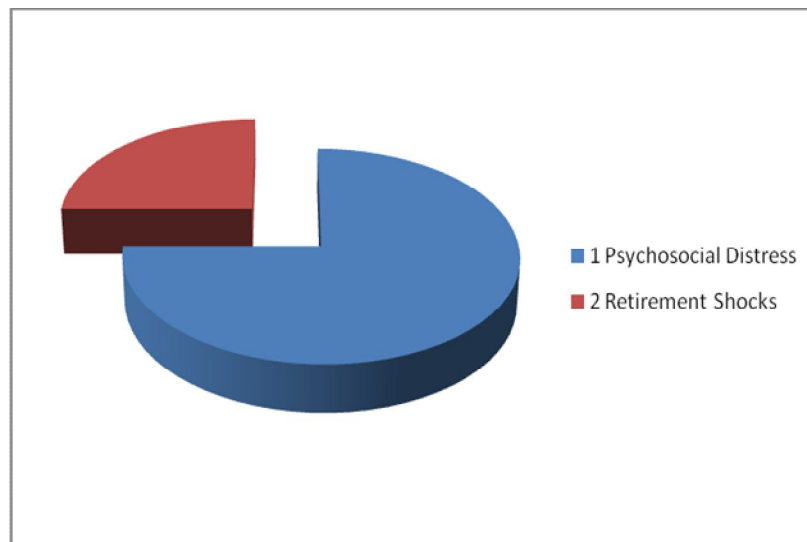
Source: Field work data, 2016

4.5.2 Psychological Distress

Based on the inferential statistics, meager income during retirement was found to be positively related with retirees' psychological distress. Nearly, 75% of the respondents

pointed out at psychosocial distress while 25% of the respondents mentioned shock as after retirement impact. Additional data from questioners revealed that after retirement, retired teachers feel that they have lost an important part of ‘self’ which is their previous job. Such feelings can lead to psychological distress. More specifically, the findings show that one third of the respondents they approached retirement with joy. The remaining two third of the respondents said that they approached retirement with shock and disbelief considering themselves as not yet ready to let go what was an important part of their lives i.e. their jobs. This is in line with Osborne (2012) view that for many retirees, the most important psychological challenge resulting from retirement is the loss of a work life; disengaging from a job and engaging in life and spending more time at home.

Fig. 4.5.2: Retirees’ Psychological Distress

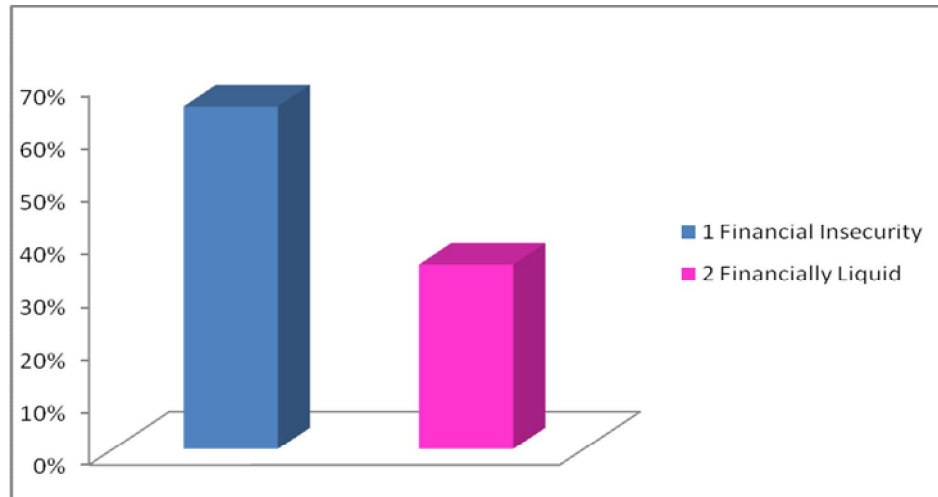


Source: Field work data, 2016

4.5.3 Sense of Loss of Financial Security

The study uncovered that that retirement has negative significant effect on financial security of the retirees. This was mainly due to inadequacy of pension benefits and falling household income. More specifically, 65% of the respondents disclosed that retired teachers develop a sense of financial insecurity due to insufficient income they get. The data showed that only 35% of the respondents said they are financially stable as captured in Figure 4.5.3 below. These are the ones with their own income generation projects such as small shops and diary projects. The data from questioners with over two third of the respondents indicated that many retirees had developed a sense of loss of financial security, identity, social role and loss prestige, reputation or status. A probing question was asked to establish the validity of this argument. It was confirmed that some of the respondents found themselves in psychological distress as they were financially deprived while they were still having financial responsibility such as paying school fees for their children or taking care of other members of family while they had meager pension. It was established that because of the importance placed on work, retirement presents most retirees with a substantial sense of loss. This finding is in the same vein with the Muthondeki *et al.*, (2014) statement that, the financial factor ranks high as a major challenge in retirement. There are a lot of financial demand on the retirees; hence, making life challenging.

Figure 4.5.3: Sense of Loss of Financial Security



Source: Field work data, 2016

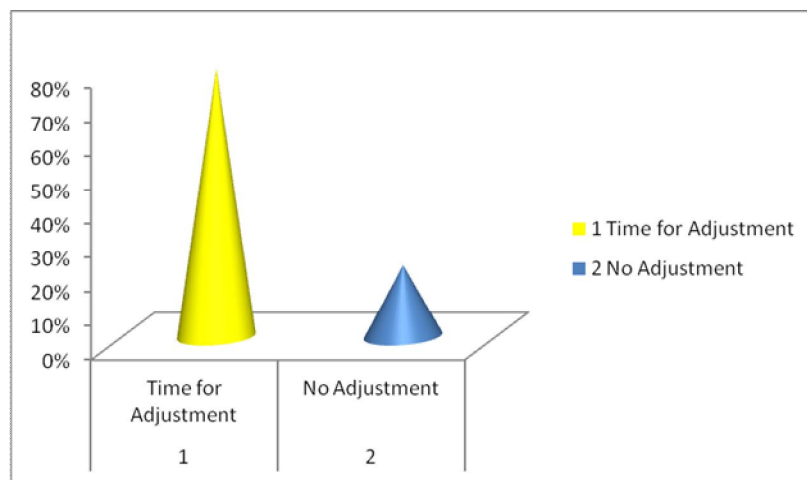
4.5.5 Adjustment to Retirement

A statistically significant positive relationship was evidence between retirement and adjustment in life. As pointed out by 79% of the respondents, retirement is a time of adjustment whereas 21% of the respondents did not realize this as depicted by Figure 4.5.4 below. During this time a retiree moves from one type of life style to the other one. It is an effort to balance conflicting needs to fit the real situation. Here, many retirees transferred their children from best private schools to public schools.

More specifically, when over one third of the retired children were interviewed they said that when their parents retired they were forced to stop school for a moment due to lack of school fees. Others were forced to drop out from school. Others were transferred from one school to another. Retirees with inadequate incomes and financial problems are likely to experience maladjustment in retirement. These findings are similar to those of Osborne (2012) who says that nearly one third of the retirees have poor adjustment style

in retirement. Dealing with adjustment to a new life style and settling down is sometimes difficult to them as they said.

Fig. 4.5.6 Adjustment to Retirement



Source: Field work data, 2016

4.6. Social work Concept in this research

Social work is a competence based profession and a discipline which is academic in nature. It supports social change and development, emancipation and empowerment of the society and individuals to mention just a few. Poverty and life hardship has been the main problem in the lives of those who social work works with. Drawing from the host

of case examples used in this study, it is apparent that this study has identified the challenges retirees face after retirement as reflected in the second objective and its implications for their families as pointed out in the third objective. From the social work point of view, the findings from this study can be used to inform those in authority and power to use their position to review the current procedure of processing pension and reduce if not eliminating the challenges faced by pensioners in accessing pension and their corrosive impacts to the retirees. If this is done social work will have achieved a very important goal. Social workers cannot fix the social security problems alone but drawing from social work practice, knowledge and experience from social workers those with authority are demanded to do so.

From the social work profession point of view, it is apparent that individuals cannot live a prosperous life except they are independently linked in a social framework. Therefore, an essential aim of social work profession is to enhance social security system to enable people live in social environment securely.

Also, from social work profession point of view, social workers believe that social security should be transformational. It should be built from the actual needs of the people. It should not be 'the end-of-pipe line' solution after all the retirees' hope is gone. Social work perception advocates a new conception of social protection focusing on the real needs of the retirees. Here, even the amount of pension paid should reflect the current standard of living.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study assesses challenges faced by retirees in accessing formal security benefits in Tanzania: It was conducted in Hanang' District. More specifically, it examined procedures followed in processing Pension Benefits in PSPF and challenges faced by retirees when accessing pension benefits from social security funds. Finally, it assessed the impact of these challenges to the retirees and other stakeholders. This chapter presents the summary of the findings and conclusions, recommendations and areas for future research.

5.2 Summary of Findings

5.2.1 Procedures Followed in Processing Pension Benefits

In general, key-findings of this study revealed that, in Tanzania, for a long time, the social security sector lacked co-ordination at national level as each Fund reported to different Ministries with differing operational rules and procedures. As regards PSPF, there are procedures that have to be followed before one gives notification to employer six months before receives retirement benefits. As regarding, retirement benefits, a lump sum is given once after the retirement and the second part of the pension is received by the retiree after every one month.

5.2.2 Challenges Faced By Pensioners in Accessing Pension Benefits

The study revealed that the considerable challenges face Tanzania public pension system. Most of the complaints revolve around the inadequacy of benefits, delays in payments, lack of update information about the schemes and the amount of individual contributions made and estimated benefits statements. Also, contribution records are sometimes incomplete.

5.2.3 Impact of the Social Security Fund Challenges to the Retirees and other Stakeholders

The findings showed that because of the social security fund challenges, many teachers are virtually forced to live very precarious lives and they cannot meet their basic needs due to the delays in pensions and shall decrease in household incomes. Some of the teachers retired twelve months ago, but they are yet to receive their pension. Two thirds of the respondents said that they approached retirement with shock, psychological distress and disbelief considering themselves as not yet ready to let go of what was an important part of their lives i.e. their jobs. Retirement presents most retirees with a substantial sense of loss. Some of the respondents found themselves in psychological distress as they were financially deprived while they were still having financial responsibilities such as paying school fees for their children or taking care of other members of the family while they had meager pension.

5.3 Conclusion

Following these findings, it can be concluded that PSPF uses several operational rules and procedures that are followed before one gives notification to employer six months before retiring and receiving retirement benefits. As regards, retirement benefits, a lump

sum is given once after retirement and the second part of the pension is received after every one month. Considerable challenges face Tanzania public pension system including complaints of inadequacy of benefits, delays in payments, to mention just a few. Due to the social security fund challenges, many teachers cannot meet their basic needs because they are financially deprived while they are still having financial responsibility such as paying school fees for their children or taking care of other members of the family while they had meager pension.

5.4 Recommendation

5.4.1 To PSPF

(a) Sustainability of the Computerized Projects for Record-Keeping

PSPF should ensure the sustainability of the use of computerized systems to easily track, identify, capture, processing members' payment and keep members records.

(b) Overcoming Challenges

Although there are several challenges facing the Fund and the customers, PSPF should turn those challenges into business opportunities and develop strategies to overcome them and render better services to the members.

(c) Policies and Regulatory Frameworks

PSPF should develop and review on regular basis various policies, rules, regulations and standards governing the Fund.

(d) Awareness creation

For the purpose of creating more awareness and a wider acceptability of the Scheme, the Fund should continue to provide education to the general public on the importance of social security and the advantages of being a member of PSPF.

5.4.2 To Employers

(e) The employers should regulate the relationship between the contributions made by the members to PSPF before retirement to be proportional to the benefit they receive after retirement.

(f) The employers should revisit the amount of pension it pays to its retirees especially those who stopped working before 2006. The pension increased should reflect the economic depreciation. Furthermore, pension should be paid on time by removing unnecessary procedures in processing and claiming the retirement benefits.

(g) Employers should remit promptly the contributions they deduct from their employees' salaries to PSPF.

5.5 Areas for Further Studies

This study was limited to the challenges faced by retirees in accessing formal social security benefits in Tanzania. A topic on PSPF's benefits is broad. This study only covered one Pension Fund and is not representative of all the SSF benefits. It could be tested in other places by conducting a study to establish a Cost-Benefit Analysis of Social Security and come up with a strategy of eliminating the challenges. Thus, researchers who are interested in the study should unveil further details

which may be missing in this research for the aim of helping in redressing the problems facing members with regard to benefits they are entitled to.

REFERENCES

- Aiicia H. & Frederick O. Yohn (1991), What is the Impact of Pensions on Saving? Working Paper No. 91-5. Boston: Federal Reserve Bank.
- Akofi, E. A. (2005), Strategies of Extending Social Security Coverage to Workers in the Informal Sector. Unpublished Thesis, Legon: University of Ghana.
- Armstrong, M. A. (2010), *Handbook of Personnel Management Practice*. London: Kogan.

Ary, D. Cheser, L. J. & Sorensen C. (2006), *Introduction to Research in Education*. 8th Edition. Belmont, USA: Published by Wadsworth Cengage Learning.

Bailey, C. (2004). Extending Social Security Coverage in Africa, Extension of Social Security. Paper No. 20. Geneva: ILO.

Bandawe K. (2010), National Social Security Fund, Annual Report and Financial Statements. Dar es Salaam.

Best J. W. & Khan, J. V. (2006), *Research in Education* (10th Edition) Boston: University of Illinois.

Bryden, B. N., Diaye, B. & Olonisakin, F. (2005), "Democratizing Security Sector Governance in West Africa: Trends and Challenges", *Conflict, Security, and Development*, Vol. 5. No. 2, pp. 203–226. Geneva.

Bukwimba, M. L. (2016), "The Impact of Pensions on the Mean Residual Life Time of Retirees in Tanzania". *International Journal of Advanced and Multidisciplinary Social Science*. Vol. 2 No. 1, pp. 1-10. Acharya Nagarjuna University, India.

Cohen, L. Manion, L. & Morrison K. (2000), *Research Methods in Education*. 5th Edition. London: Routledge Falmer.

Creswell. J. W. (2003), *Research design, Qualitative, Quantitative and Mixed Methods approaches*. 2nd Ed, Thousand Oaks, USA: Sage Publications International Educational and Professional Publisher.

Dau R.K. (2003), *Trends in Social Security in East Africa: Tanzania, Kenya and Uganda*. International Social Security Review. Kampala: Fountain publishers.

Domasa, S. (2013, August 2), Hakipensheni; Opposition Calls on Government to Clear Unpaid Pension Debts. Retrieved July 01, 2016, from <http://hakupensheni.blogspot.com/opposition-calls-on-govt-to-clear.html>.

Gaya, C. (2011 June 24), Business Times; Challenges Facing Public Pension Systems in Tanzania Part II. Retrieved June 30, 2016, from <http://businesstimes.co.tz/column/challenges-facing-public-pension-systems-in-tanzania-part-ii>

Haule S. (2013), Terminal Benefit payments practice in Tanzania. Unpublished Msc in A & F dissertation, Mzumbe University.

Holzmann R., Hinz R., Gersdorff, H. V., Gill, I., Impavido, G., Alberto R. Musalem, R. P., et al (2005), *Old-Age Income Support in the Twenty-first Century: An International Perspective on Pension Systems and Reform*. Washington DC: World Bank.

Howard, M. I. & Martynas, A. Y. (1988), *Women, Marriage, and Social Security Benefits*. Social Security Bulletin. Vol. 51. No. 5 retrieved in July 20, 2016 from <https://pdfs.semanticscholar.org/c6f6/743326bdc5d89f38bf1360f5de7d0a59b509.pdf>

ILO (2000), *Income security and social protection in a changing world*. Geneva, Switzerland: World Labour Report.

Isaka I. C. (2016), *Updates on Social Security Reforms in Tanzania*. Retrieved at 30 May 2016 from <http://www.nbaa.go.tz/bunju/irene.pdf>

Johnson, J. M. and Williamson J. B. (2006), *Do universal non-contributory old-age pensions make sense for rural areas in low-income countries?* Boston College, USA: International Social Security Review.

Kakooza, J. (2010), *Challenges Faced by Pensioners in Accessing Formal Social Security Benefits in Uganda: the case of pensioners in Wakiso District*. M.A. in Social Sector Planning and Management. Makerere University retrieved at July 02, 2016 from <http://hdl.handle.net/10570/3137>.

Knox D.M. (1992), *An analysis of the Option to Tax Investment Income generated by Occupational Pension Funds*. London: International Congress of Actuaries.

Kothari, C.R. (2004), *Research Methodology and Techniques*. 2nd Edition. New Delhi, India: Age International (P) Limited.

Kubenea S. (2016 February 15), MwanaHALISI Online; Serikali yawa jipu kwa wastaafu, Yatafuna michango yao, yakwama kulipa. Retrieved at 10 11 June 2016 from http://www.mwanahalisi.co.tz/serikali_yawa_jipu_kwa_wastaafu

Lyimo K. (2011 November 18), Business Time; Too true, 'EAC pensions leave bad taste in the mouth'. Retrieved at 20 March 2016 from <http://businesstimes.co.tz/column/too-true-eac-pensions-leave-bad-taste-in-the-mouth/>

Marta L. & Michał M. (2015) The Effect of Public Pension Wealth on Saving and Expenditure. Upjohn Institute Working Paper No. 15-223. Michigan. Retrieved at 12 May 2016 from http://research.upjohn.org/cgi/viewcontent.cgi?article=1240&context=up_workingpapers.

Martin X. (1995), A positive theory of social security. Barcelona Spain. Workings paper No 1-39. Retrieved at August 21, 2016 from <http://www.columbia.edu/~xs23/papers/pdfs/pensions.pdf>

Merriam-Webster.com (2012), "Pensioner Definition and more from the Free Merriam-Webster Dictionary". Retrieved on July 13,2016 from <http://www.merriam-webster.com/dictionary/retiree>.

Mitchell, O.S. & John, W. R. P. (2001), "Eligibility for Social Security Disability Insurance". Working Paper No. WP 2001-011. Ann Arbor: University of Michigan Retirement Research Center.

Muthondeki, D. Sirera, M. A. & Mwenje, M. (2014), "Psychosocial Challenges Faced by Retired Police Of Officers: A Case of Retired Administration Police Officers in Kenya", *Journal of Humanities And Social Science*, Volume 19, Issue 8. Nairobi, Kenyatta University.

Ndiaye P. Soors W. & Criel Bart (2007), "A View from Beneath: *Community Health Insurance in Africa*", in *Tropical Medicine and International Health*, Vol. 12, No. 2, pp 157–161. *A European Journal*, Antwerp, Belgium: Institute of Tropical Medicine.

Nsubuga, E.H.K. (2000), *Fundamentals of Educational Research*. Kampala. MK Publishers (U) LTD.

Osborne, J. W. (2012), "Psychological Effects of the Transition to Retirement Effets psychologiques de la transition vers la retraite". *Canadian Journal of Counseling and Psychotherapy*, Vol. 46 No. 1. pp 45–58 Alberta, Canada. University of Alberta.

Public Service Pension Fund (PSFP) Annual Report (2012), Public Servant Retirement Benefits Regulations of 2003. Government Notice No.406 published on 19/12/2003, Dar es salaam, Tanzania

Rached M. (2012), *Social Security and Pensions in Lebanon*. A Non-Contributory Proposal. Beirut- Lebanon: Published by Lebanese Economic Association.

Regional Administrative Secretary (2010), Manyara Demographic, Socio-Economic Profile.

Rwegoshora, H. M. M. (2016), *Social Security Challenges in Tanzania: Transforming the Present -Protecting the Future*. Dar es Salaam, Mkuki na Nyota.

Semango D. (2015), Assessment of the Social and Economic Impact of Social Security Fund on Pensioners and the Fund performance in Tanzania. A case of LAPF Pensions fund. Msc A& F, Mzumbe University

Sterns, W. L. (2006), “*Work and Retirement in Older Society*”. In our Aging Society, Paradox and Promise, A. Pifer and L. Bronte, (eds). New York: Carnegie Corporation.

Stinebrickner J. & Waidman T. (2004), Using a Structural Retirement Model to Simulate the Effect of Changes to and Medicare Programs. Michigan, USA. Economic Research Initiative on the Uninsured

Working Paper Series. Retrieved 19 May 2016 from
<http://www.rwjf-eriu.org/pdf/wp51.pdf>

Taiwo, O. (2006), "*Pension Reform Matters Arising*" retrieved at June 11, 2015
 from <http://www.pwc.com/exweb/pwcpubblications.nsf/docid>.

Taylor J. B. (2009), The Financial Crisis and the Policy Responses: National
 Bureau of Economic Research, Working Paper No. 14631. *A Journal
 of Politics and Society*. Volume 21 pp. 3-14, Cambridge, UK.

Tungaraza F. S.K., Mchomvu A.S.T., & Maghimbi S. (2002), Social Security
 Systems in Tanzania, *Journal of Social Development in Africa*,
 vol.17 No. 2 pp 1-27. Dar es salaam

URT (2003), The National Social Security Policy, Ministry of Labour, Youth
 Development and Sports, Dar es Salaam.

URT (2008), Final Draft National Social Protection Framework, Ministry of
 Finance and Economic Affairs Poverty Eradication and
 Empowerment Division, Dar es Salaam.

URT (2010), National Audit Office of Tanzania - A Performance Audit Report
 on the Processing of Terminal Benefits of Retirees from the Central
 and Local Government of Tanzania. Dar es salaam.

URT (2010), A Performance Audit on the Processing of Terminal Benefits of
 Retirees from the Central And Local Government Of Tanzania, A
 Report Of The Controller And Auditor General of The United
 Republic Of Tanzania , National Audit Office, Dar es Salaam.

Walsh C. (2009 November 13), HAVARD gazette. National and World Affairs.

New York, USA

Whitaker, T. (1998), *Principles of Social Security Financing*. Geneva,

Switzerland: ILO.

RESEARCH INSTRUMENTS

APPENDIX I

Questionnaires for Retirees

The purpose of questionnaires is to solicit your views on examine the challenges faced by the civil servant Pension Fund to its retirees. The main purpose of this study is to examine the challenges faced by the civil servant retirees in accessing formal social security benefits in Hanang' District ministered by a student from Open University of Tanzania (OUT) for the partial fulfillment of the requirement for the award of Master of Arts in Social Work Degree. Information obtained from this research shall be used for academic purposes only. The researcher is kindly requesting you to fill your response as accurately as possible to enable the researcher to obtain as much relevant data that will meet the intended instructions

Please tick in the box ☒ where necessary and fill in the space provided.

1. Age; 1-20 ☐ 21-50 ☐ 51 and above ☐
2. Sex; Male ☐ Female ☐
3. Geographical location (Division); Bassotu ☐ Balangda Lalu ☐ Katesh ☐
4. Educational level; Bachelor degree ☐ Diploma in Education ☐
Diploma in adult education ☐ Grade IIIA ☐ Grade IIIB ☐
5. Years of service; 25-30 ☐ 31-35 ☐ 36-40 ☐ 41-50 ☐
7. Which steps did you take when doing follow up of your pension and which documents were needed during preparation of your pension?.....

.....

.....

8. Awareness of the procedure of pension payment; They know procedure ☐

They do not know procedure ☐

9. How long usually retirees spend, after retirement in receiving the pension?.....

.....

10. What other payment that you can receive after your lump sum and for how long?.....

.....

.....

11. What is the mode of payment for your pension?.....

.....

12. What challenges did you face when processing your pension?.....

.....

.....

13. Duration of payment; There is Delay ☐ There is no delay. ☐

14. Pension; Enough ☐ Not enough ☐

15. How did these challenges affect you and your family?.....

.....

6. Retirees live desperate life; They meet basic need ☐ Do not meet basic need ☐

17. Retirees face psychological distress: Retirement shock ☐ Psychological distress ☐

18. Retirees face hardship life: Financial insecurity ☐ financial security ☐

19. What do you think will be done in order to provide good services to the retirees?.....

.....

.....

.....

Thank you for your cooperation

APPENDIX II

Interview guides for officials DHRO, TSD, PSPF and CWT

1. a) Age.....

b) Sex.....

c) Educational level.....

1. Which procedures did the employers follow before and after retirement of their employees?

2 (a). How long did retired employees receive his/her lump sum after date of retirement?

(b). Do they receive their pension on the determined time?

c) What is the mode of payment for your pension?

3 (a) what challenges did you face in processing retirement services to the employees before and after retirement?

(b). Which is the most obstacle for the retirees to delay in getting their pension?

4. Which ways are using to overcome the mentioned challenges?

5. What do you think should be done in order to offer good retirement services to the Retired employees?

Thank you for your cooperation.

APPENDIX III

Interview guide for children of retirees

1. a) Age.....

b) Sex.....

c) Educational level.....

1. How many are you? How many are schooling / working?

2. Do you know that your parent has retired?

3. Is it your mother or father or both?

4. How long did he/ she take to get his or her pension?

5. Is he or she still receiving monthly pension?

6. What challenges did you face after retirement of your parent?
7. How do these challenges affect you?

Thank you for your cooperation