



Directive No. 1085/2025

P.O.E.S.S.A

**Private Organizations Employees' Pension
Implementation Directive No. 1085/2025**

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Private Organization employees' pension implementation directives'

WHEREAS, it is necessary to issue detailed directives for the implementation of the Private Organizations employees' Pension Proclamation;

Since the issuance of the directives insure the consistency, transparency and accountability in service delivery and decision-making;

Therefore in accordance with the authority given in Article 60 sub article 2 of Private organization Employees' Pension Proclamation No. 1268/2014, the Private Organization Employees Social Security Administration has issued private organizations employees' pension implementation directive as follows;

Part One

General

1. Short title

This directive may be cited as "Private Organizations Employees' Pension Implementation Directive No. 1085/2025".

2. Definitions

In this directive, unless the context dictates otherwise:

1. **"Evidence"** means forms submitted for registration, pension decision, payment and the updating information; which include Marriage, divorce, birth, death certificate of the private, the organization businesses license or registration license as the case may be, the tax payer identification number, copies of its establishment law, evidence of pension contribution income and other relevant information including written or documentary evidence certified by an authorized body or its representative.
2. **" Change in entries"** means change regarding the information given in the registration document or change in the status of the private organization (name, merger with another organization, division, dissolution, confiscation, and sale), regarding changed in employee evidence, change of name, salary increment, termination of contract,

employed, information of survivors /marriage/divorce includes legal evidences confirming the birth of a child.

3. "**Beneficiary**" means an employee of private organization or his survivor who receives benefits or fulfills the conditions for receiving benefits in accordance with article 2 sub articles 8 of the Proclamation.
4. "**Survivor's**" means a widow or widower; children of the deceased who are under the age of 18 years or in case of disabled child or child with mental health problem, under the age of 21 years; and parents who were wholly or mainly supported by the decease preceding his death.
5. "**Benefit**" means retirement pension, invalidity pension, incapacity pension or survivors' pension and includes gratuity pension in accordance to article 2 sub article 6 of the proclamation.
6. "**Retirement Pension**" means a monthly pension payable to the beneficiary for life.
7. "**Occupational injury**" means an occupational accident or occupational disease that defined in accordance with Article 27 sub article 1 of the proclamation.
8. "**Disabled person**" means a person who can prove by medical evidence that he has suffered a total or partial permanent physical or sensory injury or mental problem.
9. "**Salary**" means monthly salary received by the employees of private organization, for services rendered during regular working hours without the deduction of any amounts in respect of income tax and any other matter (sickness, debt, punishment, education) and the like, according to Article 2 Sub-Article 7 of the proclamation, and, does not include overtime pay, various allowances, bonus or, commission, promotion, service fee and other benefits.
10. "**Form**" means pension scheme membership registration form, pension claim form, survivor's status change notification form, and injury notification form and includes pension contribution income notification form.
11. "**Religious organization**" means an organization or institution established to provide spiritual services.
12. "**Political organization**" means an organization legally authorized by the National Election Board to promote its political program.

13. **"Proclamation"** means the Private organization Employees' Pension proclamation No. 1268/2014.
14. **"Administration"** means the Private Organization Employees social security Administration.
15. **"Office"** means the head office of the administration and includes district offices and branch offices.
16. Other words and phrases mentioned in this directives contain the interpretation given under Article 2 of the Private organization Employees' Pension proclamation No. 1268/2014.
17. Any expression in the masculine gender in this directive includes the feminine.

3. Purposes

The purpose of this directive is to enable a uniform procedure to be implemented in relation to the determination of pension rights and benefits by prescribing the detailed implementation of the pension scheme of private organization employees.

4. Scope of application

This Directive applies to private Organizations, private Organization employees and pension beneficiaries under the Private Organizations Employees' Pension Scheme.

Part Two

Pension Scheme coverage, registration and organization of evidence

5. Private Organization and private Organization Employees covered by the pension Scheme.

1. According to article 2 sub article 1 of the proclamation, salaried person employed in a private organization for not less than forty-five days for definite or indefinite period of time or piece of work including managerial employees; are covered by private organization employee pension scheme.
2. According to Article 2 sub articles 2 of the proclamation, a private Organization, private institution or person who established to engage in trade, industry, agriculture, construction, charity, social service or any other lawful activity and which has salaried employees will be covered by the private Organization employee pension scheme.

3. According to proclamation No. 270/1994 issued to determine the rights and benefits of Ethiopian-born foreign nationals, Ethiopian-born foreign nationals can be covered by the private Organization employee's pension scheme voluntary.

6. Religious organization or political organization employees; pension scheme coverage

1. According to article 3 sub-article 3 of the proclamation, employees of religious organization or political organization and people engaged in the informal sector of work can be covered by private Organization employee pension scheme voluntary.
2. An employee of a religious organization or a political organization who is voluntarily covered by a private Organization employee pension scheme may not terminate the membership of the scheme except under the circumstances specified in this proclamation.
3. According to this article, a religious organization or a political organization and employees covered by private organization employee pension scheme are obliged to register, submit evidence of changes, pay pension contributions and provide evidence necessary for the determination of pension according to the private Organization employee proclamation and this directive.
4. The amount of income, registration and payment of pension contributions for people engaged in the informal sector is determined by the administration.

7. Private Organization employees who are not covered by the pension scheme

According to Article 3 Sub-Article 1, 4 and Article 18 Sub-Article 1 of the proclamation, the following are not covered by the private organization employee's pension scheme.

1. Domestic workers,
2. Employees of international governmental organizations and diplomatic missions of foreign governments;
3. Sole owner's managers or employee or sole owners
4. Without prejudice to Article 5 sub-article 3 of this directive, foreign nationals,
5. Private Organization employees aged 60 and over;

8. Registration

1. According to Article 4 of the proclamation, private organization and private organization employees covered by the private organization employee pension scheme shall register to the private organization employee pension scheme.

2. The private organization, private organization branch or project of the private organization is registered at the office of the administration authorized to register private organization and employees based on the address of salary income tax payment center of the private organization branch or project.
3. Employees working in the private organization referred under sub article 2 of this directive shall be registered at the administrative office where the private organization or its branch or project is registered.
4. The employee of a private organization registered with the private organization employees' pension scheme given a pension identification number. However, the identification number is given only once.

9. Evidence submitted for registration

According to Article 4 sub article 1 of the proclamation any private Organization or its branch or the project and the employee of a private Organization:

1. Shall submit to the administration the business license issued by the government body authorized by law to grant the license to the private organization or the certificate of registration as appropriate copies of its establishment law, the bank account opened in the name of the organization or the owner of the organization and the organization tax payer identification number, the full name of each employees covered by the scheme, the period of employment (month, day, year), the regular monthly salary paid to the employee, which bear the seal of the organization and the signature of the manager or representative for registration.
2. For registration into the administration, the private organization must complete and submit the non-altered pension scheme membership registration form, employment letter/contract of employment which the employee registered for the first time, if the employee has a national identification number or a taxpayer identification number,
3. Registration of survivors: -
 - a) If marriage has taken place marriage certificate issued by a body authorized by law to register marriages,
 - b) If there are a child under the age of 18 and a disabled or mentally ill child under the age of 21, a birth certificate issued by a body authorized by law to issue a birth

certificate and/or whether the child is disabled or mentally ill evidence confirmed by a medical institution, regular court or social court.

c) If the employee has an adopted child, evidence that the adoption has been approved by the court; it should be submitted to the administration for registration.

4. Registration evidence of a religious organization or political organization employees which are covered by the pension scheme must be submitted to administration by the religious organization or the political organization in accordance with sub article 2 of this article for registration.

10. Issuance of Social Security Number

1. In time a private organization and the private organization employee get registered in the pension scheme, the Administration gives a social security identification number in accordance with Article 5 sub article 1 of the proclamation. However, if the employee of a private organization has a national identification number or taxpayer identification number, the same number may be used as the social security identification number.

2. In case it is decided that the employee's national identification number or taxpayer identification number (TIN) serves as the social security identification number according to sub article 1 of this article, the private organization employees shall submit taxpayer identification number or national identification number given from the government body authorized by law to issue the national identification number or taxpayer identification number to the administration.

3. A private organization or an employee of a private organization registered in accordance with Article 9 of this directive and given a social security identification number in accordance with this article shall be given a scheme membership registration card by the administration.

4. A list of employees who have been assigned a social security number in accordance with this article shall be forwarded to the office of social security administration to facilitate monitoring of pension contribution.

11. Change of evidence

1. According to Article 6 sub article 1 of the proclamation, any private organization shall notify to the administration with supporting evidence in case a change of entry of its organization or employee occurs.
2. According to Article 6 sub article 2 of the proclamation, the private organization employees must notify the change regarding the name and his survivor's registration evidence to the private organizations with supporting legal evidence and submit it to the administration for registration.
3. An employee of a religious organization or a political organization covered by the pension scheme shall notify change regarding him or his family's status to the religious organization or the political organization with legal evidence as the case may be and register it with the administration.
4. According to Article 6 sub-article 3 of the proclamation, a beneficiary who is receiving pension shall update the information regarding registration of his survivors by submitting the change evidence to the administration.
5. According to article 6 sub article 5 of the proclamation, when a private organization covered by the pension scheme undergoes a change in status (in case of sale, dissolved, divided, or merged with another organization), the former manager of the dissolved organization or the liquidator, the private organization that took over the employees due to the sale, the division, or merger, and other changes in information shall notify by the manager in charge of the organization or as the case may be the owner of the organization in writing to the Administration.
6. According to Article 6 sub article 4 of the proclamation, any private organization, private organization employee or beneficiary who submits notification of change in the entry of social security registration relating to a private organization, employee or beneficiary shall indicate the corresponding social security identification number.

12. Registration and submission of changes in entries period

According to Article 4 sub article 2 and Article 6 of the proclamation, the private organization or as the case may be the employee of a private organization shall submit or notify the change of entry of its organization or employee from the date of establishment of the organization and the employee's first employment or the date of the change or the date of

the decision to change the status of the private organization to the administration within 60 days from the date change has occurred.

13. The content of the employment or employment contract evidence

The letter of employment or contract of employment issued by the private organization to the employee shall clearly state the name and address of the employer, the name of the employee, the type of work, the amount of salary paid for the work and the method of calculation, the date, month and year of employment and it must bear the seal of the organization or the signature of the employee as appropriate.

14. Admissibility of evidence submitted for registration

1. The registration evidence of the employee of a private organization is admissible when it is verified by the seal of the organization and the signature of the relevant official or representative.
2. In spite of the provisions of sub article 1 of this Article, if the organization mentions that it does not have a seal and giving assurance to verify the registration document by the seal of the organization by preparing the seal within one month and the registration can be done.

15. Organization of evidence

The evidence of registration and change referred in Article 9 and 11 of this directive will be organized and kept by the administration in accordance with Article 58 of the proclamation.

Part Three

Determination of pension benefit

16. Determination of retirement pension benefit

1. Determination of retirement pension benefit
 - a) If an employee of a private Organization who has served at least 10 years terminates his service, upon reaching the retirement age pension benefit will be paid to him for life in accordance with Article 19 sub article 1 of the proclamation.

- b) If an employee of a private Organization who has served for at least 25 years terminates his service voluntarily or for reasons other than those mentioned in the proclamation, he will be received retirement pension for life beginning with five years prior to his retirement age in accordance with article 19 sub article 2 of the proclamation.
 - c) According to article 19 sub-Article 3 of the proclamation, the provision of sub article 1(b) of this article shall not apply to an employee of a private Organization whose service has been terminated due to disciplinary measure.
- 2. According to article 23 of the proclamation, if a private organization employee has at least 10 years of service and it is ascertained by the medical board that the employee is unable to do any salaried work due to health impairment, he/she will be paid a health invalidity pension for life starting from the first day of the month following the month in which the same was confirmed.
- 3. According to article 35 of the proclamation, if the employee of a private organization has suffered an irreparable injury of not less than 10% and the medical board confirms that he is unable to perform any salaried work due to an injury at work, he will be paid the incapacity pension beginning from the first day of the month following the month in which the same was confirmed.
- 4. According to article 39 sub articles 1 of the proclamation, if any employee of a private organization dies: -
 - a) While retirement, disability or injury pensions is being paid; or
 - b) At least 10 years of service; or
 - c) Due to injury at work; pension shall be paid to his survivors.

17. Determination of gratuity pension

- 1. According to articles 21 and 23 of the proclamation, an employee of a private organization who has served for less than ten years will be paid a gratuity pension upon reaching the retirement age or when his service has been terminated due to health problems.
- 2. According to article 37 of the proclamation, if an employee of a private organization suffers from an irreparable work-related injury of not less than 10% and is able to work, he will be paid a one-time disability gratuity pension.

3. Without prejudice to sub article 2 of this directive, if the employee of a private organization receives compensation or insurance payment from the employer in accordance with the applicable law or union agreement, he shall not be paid disability gratuity pension.
4. According to article 39 sub articles 2 of the proclamation, if an employee of a private organization with less than ten years' service dies while at the job without injury at work, gratuity pension will be paid only for the wife or husband and children of the survivors.

Part Four

Evidence submitted for the determination of pension

18. Presentation of evidence

1. The administration will make a decision according to Article 54 sub article 2 of the proclamation based on its own records, evidentiary data submitted to it in accordance with article 16 of the proclamation and evidence provided by another body in accordance to article 53 of the proclamation and as may be appropriate on additional evidences produced by the beneficiary.
2. The evidence provided for the implementation of this directive will be based on the forms issued by the administration and as the case may be based on the forms used by the body submit the evidence.
3. An employee of a private organization whose employment contract has been terminated for any reason before reaching the age of 60 will submit pension application form filled by the private organizations where he last served.
4. Subject to sub article 3 of this article, if the pension claim form cannot be filled due to the dissolution or cancellation of the private organization where the employee of the private organization whose employment contract was terminated before reaching the retirement age provide evidence concerning the dissolution of the private organization from party that granted the license to such private organization, the form will be filled by a registration expert and verified by a senior registration and customer service experts.
5. If the employment contract of the employee of a private organization is terminated without filling out the registration form and the dissolution/cancellation of the private organization in which he worked at the age of 60 is confirmed, he will be required to fill

out a pension application form according to sub article 4 of this article. However, a private organization employee must submit a legal document certified by a government body to prove that the employee has reached the age of 60.

6. If the employee of a private organization is terminated without filling out the registration form and the request for pension decision is made after reaching the age of 60, it will be applied according to Article 27 sub-article 2 of this directive.

19. Evidence to be submitted for permanent pension claim

1. When a private organization employee reaches the retirement age (60), a request for a pension benefit is made by filling out a pension request form and sending it to the administration through the private organization where he/she last served.
2. In addition to what is stated in sub article 1 of this article, when a request for pension benefits due to health problem, the employee must submit a certificate which is given by the Medical Board confirming that the employee is unable to do any salaried work.
3. In addition to what is stated in sub article 1 of this article, when a pension claim is made due to physical injury sustained at work:
 - a) Evidence given by the Medical Board that the physical injury is permanent, the percentage of the injury and that he is unfit to do any salaried work;
 - b) Proof of monthly salary paid prior to the month of injury;
 - c) Police report as the case may be;
 - d) In accordance with article 32 of the proclamation, an accident notification form about whether an employee of a private organization has had an accident at work; must be submitted.
4. In addition to the evidence stated in sub-1 of this article, when the employee of a private organization terminates service voluntarily or for reasons other than those mentioned in the proclamation, and submits a request for a pension benefit, evidence of the termination of service must be submitted.
5. Subject to the provisions of sub article 4 of this article, when the employee of a private organization is absent from work for any reason without notifying the private organization the request for pension benefit shall be submitted by providing evidence stating the reason for the termination of the employment contract in addition to the evidence stated in sub article 1 of this article.

20. Evidence submitted for the application of gratuity benefit

1. An employee of a private organization who has less than 10 years' service and employment contract is terminated due to retirement age or he is unfit to do any salaried work due to health problems and request for pension must submit the evidences mentioned in sub article 1 of article 19 and sub article 2 of article 19 of this directive as appropriate.
2. A claim for damages gratuity due to an accident at work that show the work-related accident not less than 10% and it is irreparable injuries shall include the evidence certified by a medical board in addition to the evidence specified in sub article 1 and sub article 3 of article 19 of this directive.
3. According to article 32 of the proclamation, when a request for a decision on occupational injury gratuity is made, an accident notification form must be filled out and submitted to the administration within 30 (thirty) days of the accident.

21. Pension benefit due to health problem

When a request for pension due to a non-work-related health defect is submitted, in addition to what is stated in sub article 1 of article 19 of this directive, a certificate that give by medical board which confirm that the employee is unable to do any salaried work must be submitted by a medical board.

22. Special decisions

Notwithstanding the provisions of Article 21 of this directive, after the employee of a private organization is covered by the pension scheme, due to injury or illness due to health deficiency:-

1. Being completely blind in both eyes,
2. Fully paralyzed or partially paralyzed;
3. In mental disorders and similar diseases,

If the medical board's evidence stating that he is not fit for work is presented, the medical evidence and the detailed explanation will be presented to the senior management for a decision.

23. Evidence to be submitted for benefit claim of survivors

1. The request for survivor's pension benefit shall include the evidence confirm the death of private organization employee or the beneficiary given by the government body authorized by law to provide the same evidence and the evidence listed in article 19 sub article 1 or Article 19 sub article 3 of this directive.
2. In addition to what is mentioned in sub-article 1 of this article, when a request for a wife's or husband's survivor's pension benefit is submitted:
 - a) If there is a marriage certificate that the deceased private organization employee or pensioner has submitted to the administration while he is alive and has been registered, a court-issued proof that the marriage was not dissolved prior to the death of the beneficiary, and a court-issued wife/husband certificate when there is no marriage proof, must be submitted.
 - b) When the evidence provided regarding the marriage is doubtful or there is a doubt about another marriage or divorce, the administration will make a decision by making an appropriate investigation. Additional court-ordered evidence may be submitted as appropriate.
 - c) The proof given by the court that the deceased and the applicant lived together as husband and wife is proof that there is no marriage between the deceased and the applicant, so the pension is not determined by this evidence.
3. In addition to what is mentioned in article 23 sub 1 of this article, when a child pension claim is submitted the following evidence should be presented.
 - a) If the deceased employee or pensioner of a private organization has not submitted a birth certificate to the administration while he is still alive, a birth certificate issued by a government body authorized to issue a birth certificate, as well as a court-issued confirmation that he is a child of the deceased;
 - b) According to Article 9 Sub- article 3 of this directive, evidence certified by the court about the existence of the children for whom the pension will be determined based on the registration evidence submitted by the administration;

- c) Evidence of guardianship issued by the court to manage the deceased children for whom the pension is determined, as the pension benefit for the survivors children is paid through a guardian;
 - d) In the case of an adopted child, proof that the adoption contract was approved by the court while the adopter was alive;
4. In addition to what is mentioned in article 3 of this article when applying for parental pension the following evidence should be presented.
- a) Court-issued proof of parentage;
 - b) They must provide proof from a regular or social court that they were managed with the support/assistance of their deceased child in full or mostly.

24. Evidence to be submitted for survivor's gratuity

When asking for the support of the wife/husband/and children of an employee of a private organization who has served less than 10 years without termination of the employment contract, the evidence described in sub-article 1 of article 23 of this directive must be submitted. However, gratuity for parent is not payable.

25. Service Evidence for non-addressee

1. Proof of service letter issued by a private organization under the title of to whom it may concerned, shall be used for the determination of the pension benefit of the employee of the private organization only when the Pension Contribution Revenue Team confirmed, the pension fund has received the relevant pension contributions at the time specified in the proof.
2. The evidence of service given by the government office for the employee of a private organization is used for the determination of pension benefit when the proof is verified by the government office of the employer or the government office that holds the proof.

26. Non-Reimbursement of Pension Contribution

According to the provision of article 49 of the proclamation, if the service of the employee of a private organization is terminated for any reason, the pension contribution will not be refunded to either the private organization or the employee of the private organization.

Part Five

Date of birth

27. Date of birth considered for pension decision

1. According to article 18 sub article 1 of the proclamation the date of birth applied for pension purpose is the (day, month and year) or age recorded by the private organization employee was registered when the first employed.
2. In the absence of the evidence specified in sub article 1 of this article, the evidence registered by the employee and held as information by the organization, where the date of birth is stated and the age in which the information was given or filled, will be used.

28. An employee who registered the date of birth, month and year

If a private organization employee registers previously the date, month and year of his birth, the same date of birth will be used.

29. An employee who registered only the date of birth

If the employee of a private organization:-

1. Found that only the date of birth is recorded without mentioning the date and month, the date and month recorded on the evidence of the previous date of birth, which is different from the consecutive dates held by the organization, will be used/ applied.
2. According to sub article 1 of this article, if there is no evidence of the month and date of registration, the retirement age determined by the pension proclamation will be added to the date of birth and he will be retired beginning from the first day of the month.
3. An employee of a private organization who registers his birth on the first day of a month and reaches the age of 60 on the last day of the month before his date of birth will be retired from the first day of the following month.
4. An employee of a private organization who registers his birth on one of the 2nd to 30th days of the month or only the month and year of his birth will be retired from the first day of the month following the month of his birth.

5. Subject to the provision of sub article 4 of this article, when a request for payment of service gratuity is submitted to a private organization employee whose service has been terminated on the basis of his birthday, who has completed less than ten years of service and reached the age of 60 on the 2-30th day, the payment shall be made from the first day of the month following the month of his birth.

30. An employee of a private organization who registered only his age

If the employee of a private organization records only his age on the priority evidence or form, his age will be deducted from the date, month and year on which the form was filled and his date of birth will be taken. If the date and month in which the form was filled is not found on the evidence or the form, it will be done according to Article 29 Sub-Article 2 of this Directive.

31. An employee who registered different dates of birth and age

1. If a private organization has recorded different birth dates and ages on the form that invites the employee to register with priority age and date of birth, then the age or age that was registered first will be taken by repeating the age or age on one of the consecutively filled forms.
2. According to sub article 1 of this article, if the age or date of birth that was previously recorded is not repeated in the consecutively filled forms, then the month and date of the first recorded date of birth shall be retained. If the day and month are not mentioned in the date of birth, the date of birth will be ordered according to Article 29 of this directive.

32. An employee who failed to register his date of birth at his first employment

1. If the employee of a private organization does not record his date of birth or age on the form filled in for the first time, the date of birth or age recorded on the form that takes precedence among the consecutively filled forms will be taken. For employee of a private company that does not fill the form, the date of birth recorded on the priority document of the employer's private company shall be taken as the date of birth of the employee.
2. If the proof of the date of birth of the employee of a private company cannot be found in the file organized by the name of the employee, the date of birth recorded on the pension application form will be used. However, before filling out Form 2 to confirm that the date of birth recorded on the form is correct, additional supporting evidence issued by the

government must be submitted that shows the date of birth of the employee of a private company.

3. If there is a difference between the date of birth recorded on the form and the supporting evidence submitted in accordance with sub article 2 of this article, the date of birth recorded on the supporting evidence shall be recorded as the employee's date of birth.
4. The provision of sub article 2 of this article shall also apply to an employee who submits a request for the refund of pension contributions paid beyond the age limit.

33. Determination of children's birthdays

1. The pension for employee of private organization or the child of the beneficiary is determined by the date of birth of the child registered by the administration while the employee or the beneficiary of the private organization is alive. Therefore, any evidence to change or modify this date of birth will not be acceptable.
2. If the employee of a private organization does not register the child's date of birth with the administration while he is alive, the date of birth recorded on the birth certificate shall be retained by submitting a birth certificate issued by a body authorized to issue a birth certificate.
3. If evidence of a registered date of birth cannot be obtained in accordance with sub article 1 or 2 of this article, the child's date of birth certified by the court shall be used.
4. In case where only age is recorded in the evidence submitted according to sub article 1 or 2 or 3 of this article, the age of the child will be deducted from the month and year that the information prepared or the application submitted to the court.
5. If it is not possible to calculate the month in which the child was born according to sub article 4 of this article, the month recorded in the pension benefit request form will be used.

34. Evidence submitted to prove date of birth

1. Evidence that contains the birth date of the private organization employee will be accepted: -
 - a) If it is held as information by the private organization, even if it does not have the signature of the person in charge,

- b) If the form does not invite the signature of the employee's and it is signed by the head of the office.
 - c) If it is used as evidence in the private Organization and does not invite the signature of the head of the office of the employee.
2. In the forms filled by the employee of a private organization at different times, namely:
- a) In a job application,
 - b) Life history form
 - c) In the registration form
 - d) Birth certificate
 - e) If evidence of a different date of birth is found in the registration file on the holder's application form, the first registered date of birth from "a" to "e" shall be taken.
3. When a private organization employee is assigned to pension on the basis of the priority form filled in while working or the date of birth already held by the employer's office, any evidence to refute the previous date of birth will not be accepted according to article 18 sub article 2 of the proclamation.
4. If the evidence containing the date of birth for determining the pension of the employee of a private organization has a mistake or deletion in the date of birth, the date of birth revealed by the result of the forensic examination will be taken as the date of birth of the employee for the determination of pension.

Part Six

Calculation of Period of Service

35. Service considered for pension determination

1. According to Article 17 Sub article 6 of the proclamation, if private organization employee whom received gratuity from a private organization employee pension scheme or a government employee pension scheme is re-employed in a private organization covered by a private organization employee pension scheme, his former service shall considered; provide that the gratuity he received from the Private organization Employees' Pension scheme or the Government Employees' Pension scheme, due to service or health problem paid back to the Private organization Employees' Pension Fund or to the Government Employees' Pension Fund, as the case may be.

2. In accordance to article 17 sub article 7 of the proclamation, if a person whose pension contribution was reimbursed from a private organization employee pension scheme or a government employee pension scheme is re-employed in a private organization covered by a private organization employee pension scheme, return the pension contribution he took including the bank deposit interest to urn to private organization employees' pension fund or as the case may be to the government employees' pension fund before retirement age his former service shall, without prejudice to Article 16 of this Proclamation, be counted along with the new service; provided, however, that the reimbursed contribution is paid back with interest calculated at bank deposit interest rate.

36. Special Period counted as Period of service for pension determination

1. According to article 17 sub article 3, 6 and 7 of the proclamation, the following period will be considered for pension determination of private organization the employee's:-
 - a) The period during which the service has been interrupted without interruption of payment of wages;
 - b) The period during which he has served as a member of the public or a trade union on a full-time basis by any government body while being paid a monthly salary;
 - c) Time spent serving in an international organization by the decision of the government.
2. The period referred to in sub article 1 of this article can be considered as the period
 - a) of service only if the private organization has paid the employee's pension contribution
 - b) including the employer's share, or has paid it to him.

37. Service rendered before legal employment age

If an employee of a private organization has been employed before the legal age of employment, the service performed since the age of 15 will be considered.

Part Seven

Pension benefit determination

38. Salary considered for pension benefit calculation

1. According to Article 20 Sub article 1 and Article 24 of the proclamation, the salary considered for the determination of retirement or disability pension is the average of monthly salary paid for the employee in the last three years of service.
2. When the last paid salary is found to be incomplete for three consecutive years (36 months), the remainder will be made up from the salary for which pension contributions were paid at the end of the previous service periods.
3. According to Article 20 sub article 2 of the proclamation, if an employee who is employed in a private organization is paid more than 25% annual average salary payment on the salary that pension contribution was paid a month before 3 years of his pension entitlement, the 25% annual average salary payment shall only be considered for the calculation of three years average monthly salary.
4. According this article sub article 1 when the validity of the salary that has been paid to the employee for the last three years is found to be doubtful, the administration can make an appropriate investigation and correct it.
5. An employee of a private organization has been paid after the medical board confirms that he is unfit for work due to health problems, but when a request for a pension decision is submitted, the service and salary paid up to the month when the medical board confirmed that he is unfit for any job that earns a salary is retained.
6. The salary considered for the calculation of pension benefit due to an injury at work, is the regular monthly salary paid employee's before the month of injury. However, if the retirement pension received by the employee is better than the pension received by injury, according to Article 36 sub article 2 of the proclamation, according to the retirement pension calculation formula, the average salary of 36 months will be considered to determine the benefit.

39. Calculation of retirement and disability pension benefit

1. According to articles 20 and 24 of the proclamation and article 38 sub article (1) to (3) of this directive, for the first 10 years of service performed by the employee of a private organization, the pension contributions that were paid before the month of termination of the contract shall be paid for three years (36 months) 30% (thirty percent) and 1.25% is calculated for each year of service of a private organization employee for more than 10 years according to article 20 sub article 1 of the proclamation.
2. According to Article 20 Sub article 3 of the proclamation and Article 20 Sub article 1 (b) of the Government Employees' Pension Proclamation No. 1267/2014, the service as a member of the defense force or the police for more than 10 years, the service is considered. The calculation of service or health disability pension is multiplied by 1.65%.
3. As stipulated in article 20 sub article 4 of the proclamation, the amount of pension determined in accordance with this article cannot exceed 70 percent of the three-year average salary of the employee of a private organization.

40. Calculation of Employment Injury Pension

According to Article 35 and 36 of the proclamation, when an employee of a private organization sustains employment injury of not less than 10% due to an injury at work and it is confirmed by a medical board that he is unfit to do any salaried work he will be paid 47% of his regular monthly salary of his salary which he was receiving during the month prior to the occurrence of the injury according to Article 36 of the proclamation.

41. Calculation of survivor's pension benefit

1. According to article 40 sub article 1 of the proclamation, the pension paid to the deceased wife or husband will be 50 percent of the pension that the deceased would have received or could have received. However, in the event that more than one pension is payable according to Article 40 sub article 4 and 5 of the proclamation, only one and the highest pension will be paid.
2. According to article 41 sub article 1 of the proclamation, the pension paid to a deceased child shall be 20% of the pension that the deceased would have received or could have received. However, in accordance with Article 41 Sub article 2 of the proclamation, the pension paid to a child whose both parents are dead will be 30 percent.

3. A child whose both parents are or could have been paid a pension will be paid 20 percent of each parent's pension; however, the pension payable under sub article 2 of this article shall not be less than that payable under article 41 sub articles 2 of the proclamation.
4. According to Article 42 of the proclamation the pension payable to each of the parents of the deceased shall be 15% of the pension that the deceased would have received or could have received. However, if there is no other survivor among the parents, it will be 20 percent.

42. Minimum pension benefit

According to article 45 of the proclamation if the retirement, invalidity pension or employment injury pension determined for the employee of a private organization is less than the minimum pension benefit decided by the management board, the minimum pension benefit decided by the management board will be paid to him.

43. Salary for calculation of Retirement and disability gratuity

1. According to article 22 sub article 1 of the proclamation, the retirement gratuity is determined based on the regular monthly salary paid to the employee proceeding the employee reaches the age of 60 and leaves the job.
2. Without prejudice to article 1 of this article, if the employee of a private organization has received an annual average salary increase of more than 25% annual average salary payment on the salary that pension contribution was paid a month before 3 years of his pension entitlement, the 25% annual average salary payment shall only be considered for the calculation of gratuity, according to article 22 sub article 2 of the proclamation.
3. According to Article 25 of the proclamation, the determination of the gratuity for health impairment is the regular monthly salary paid before the month in which the medical board confirms that the employee is unfit to do any wage-earning work due to health problems.
4. According to article 38 of the proclamation, the amount of incapacity gratuity is determined based on the regular monthly salary paid to the employee in the month preceding the month of injury.
5. If service of the employee's is less than 3 years as mentioned in sub article 2 of this article, sub article 1 of this article shall be applied.

6. If the employee's service is less than one year, when the service is divided and multiplied by 12 months, the last month's salary multiplied by 1.25 will be paid.

44. Calculation of retirement and Invalidity gratuity

1. According to the provisions of article 22 and article 26 of the proclamation, when the employee has less than 10 years of service, reached the age of 60, or if medical board confirm that he is unfit for any salaried job due to health problems, and the employment contract is terminated, he will be receiving incapacity gratuity in accordance with article 43 of this directive.
2. If the employee of a private organization has less than 10 years of service in a private organization or government office combined with his service as a member of the defense force or the police, the incapacity gratuity will be determined according to sub-section 1 of this article.

45. Calculation of Incapacity Gratuity

1. According to article 38 of the proclamation, if the employee of a private organization suffers from an irreparable employment injury of not less than 10% and is able to work, shall receive incapacity gratuity 47% of the monthly salary of the employee which he was receiving during the month preceding the occurrence of the injury multiplied by 60 and the percentage of injury sustained.
2. The employee shall be entitled to receive incapacity gratuity under sub-section 1 of this article only if compensation or insurance has not been paid by the employer's private organization in accordance with section 37 (2) of the proclamation.
3. If the private organization causes the administration to pay the incapacity gratuity, while the employee has insurance coverage, the private organization is responsible for paying the incapacity gratuity paid to the employee.

Part Eight

Pension benefit decision and payment execution

46. Decision of pension benefit

The type and amount of any pension payable according to the pension proclamation is determined by the administration in accordance with article 54 of the proclamation.

47. Notification of pension benefit decision

After any type of benefit is determined, the type, amount, time and place of payment of the pension should be explained in writing to the employer and the beneficiary. Despite this, if the pension is not determined for the employee of a private organization based on the evidence provided, the reason for not being determined must be stated in writing to the employer's private organization and the employee.

48. Payment of pension benefit

1. According to article 46 sub article 1 of the proclamation, Retirement pension benefit is paid to the beneficiary or his legal representative on the first day of each month.
2. According to Article 47 sub article 1 of the proclamation, the gratuity is paid only once to the beneficiary or his legal representative.
3. According to article 51 sub article 2 of the proclamation, when the amount is specified and ordered by the court to be paid monthly in order to fulfill the obligation to provide alimony deducted from the pension, the amount ordered by the court in the name of the person or child whose alimony has been cut off, the amount ordered by the court will be deducted from the pensioner's pension and paid through paying institutions. For the performance of this payment, the administration prepares and issues an identity book for the person whose alimony has been cut or the child's guardian.

49. Termination or suspension of pension benefit payment

Payment of pension benefit shall terminate:

1. If the beneficiary died,
2. If the child age is reaching 18 years or if disabled or mentally age reach 21 years
3. According to article 40 sub articles 2 of the proclamation, if the wife or husband of the deceased remarries while she/he is receiving the pension benefit:
 - a) If the wife is under 45 years of age; or

- b) If the husband is under 50 years of age; beginning from the month following the date of marriage,
- 4. According to Article 48 of the proclamation, the pension payment will be terminated from the month following the month in which the retirement period ends or the month in which the pension is found to be unjust.
- 5. According to Article 40 Sub articles 4 of the proclamation, the provisions the proviso of Article 49.3 shall not apply to disabled widow or widower.
- 6. Any beneficiary who has failed to receive a pension benefit three (3) consecutive months and five years prior to the date on which the request for arrears pension is to be suspended until the pensioner requests in writing that the alimony be paid.
- 7. If the beneficiary who receives the pension benefit through an agent does not renew the Agency in accordance with the administration's practice, the benefit payment through an Agent will be banned.
- 8. Save that the pension benefit is paid when the beneficiary is counted in person, the pension will be suspended if he is not present during the enumeration according to the program and procedure issued by the administration.

50. Payment of debt

- 1. If the pension has been improperly paid to any entitled person, he will be obliged to return it according to article 55 sub article of the proclamation.
- 2. If the pensioner is receiving pension due to improper payment in accordance with sub article 1 of this article, 1/3 of the pension will be deducted from the pension and deposited to the pension fund. If the it is a gratuity payment, it will be reimbursed through legal procedure.
- 3. If there is sum up of pension payable to the beneficiary, the sum up shall be substituted for the debt referred to sub article 1 of this article and the rest shall be paid to the beneficiary. However, if the sum up of pension does not cover the debt, the same sum up of pension will be credited to the pension fund and the remainder will be deducted from the monthly pension benefit in accordance with sub article 2 of this article and will be substituted for the debt until the debt is settled.

Part Nine

Pension payment through an agent

51. Condition of pension payment through an Agent

1. Any beneficiary can execute the case or receive the pension through an agent.
2. Agency is approved by the head of the administrative office at each level or his representative.

52. Execution of Agency

1. Agency will be done in the offices of the administration at each level. However, evidence of Agency certified by the authorized body as well as evidence of Agency certified by the Ethiopian embassy or consulate in the foreign country where the beneficiary resides will be acceptable.
2. According to sub article 1 of this article, evidence of agency certified by other parties must be submitted to the administration and the agent must fill the agency form according to the law of the administration.

53. Evidence submitted for execution of agency

1. If the beneficiary has submitted a request for Agency due to he/she went to a foreign country, a photocopy of the passport of the beneficiary with a visa stamps on it.
2. If the beneficiary is in prison, the evidence is presented after the Agency is verified by the head of the prison.
3. If the claimant is in a medical facility and receiving treatment, when the evidence provided by the medical facility that he is receiving treatment in the medical facility,
4. If the claimant is unable to stay in his house due to illness or is tired due to old age, when certified evidence is presented from the kebele, farmer's association or district office where he lives.
5. When the power of attorney certified by an authorized body is presented to prove the power of attorney to execute the case through an agent or to receive the pension through an agent, it will be accepted.
6. When a beneficiary who wants to receive the allowance through an agent applies in person, the representation will be done by the directorate of registration and allowance payment or the head of the relevant administrative office, as appropriate.

54. Extension of agency

The power of attorney is extended subject to verification that the principal holder/ agency are still alive. Accordingly:

1. Due to old age, poor health and other reasons beyond his control, the allowance will be extended by the leader of the relevant group or his agency, when the person who is entitled to be paid the allowance through an agent by the decision of the authorities, appears every six months in person or submits evidence from the Kebele district administration office of the area where he lives.
2. The agency will be extended if the right holder living abroad renews the agency and sends evidence to the Ethiopian embassy or consulate office of the country where he lives or according to the laws and regulations of the country where he lives. However, he will have to provide proof of passport validity from time to time.
3. If the beneficiary is being paid an allowance through an agent due to his imprisonment, the agency will be extended once a year when proof of his imprisonment is presented from the prison where he was imprisoned.
4. If the proof of the right holder's existence is received by the administration within the month of the end of the agency period, or if the agent appears in person, from the end of the agency period, it will be extended for six months for the agency given in accordance with sub article 1 of this article, and for one year for the agency given in accordance with sub article 2 of this article.
5. If the evidence of the rights holder's existence is received by the administration or if the rights holder appears in person after the expiration of the agency period; the arrears will be paid and the representation extended for six months from the time the evidence is received or the representative is presented in accordance with sub article 1 of this article, and the agency given in accordance with sub article 2 of this article extended for one year.

55. Regulation to ensure the existence of beneficiary

Except for the beneficiary who lives abroad, any pensioner who is alive must personally appear in person to the administration and counted its existence, once a year from April 1st to May 30th in every fiscal year.

Part Ten

Commencement period for Pension decision and arrears pension determination

56. Time of commencement of pension benefit decision

According to Article 46 and 47 of the proclamation, an employee of a private organization:

1. The calculation of retirement pension benefit starts from the first day of the month following the retirement age of the private organization employee.
2. Invalidity Pension starts from the first day of the month following the medical board confirming that the employee of a private organization is unable to work due to ill health.
3. Injury pension is calculated from the first day of the month following the medical board confirming that the employee is unable to work due to injury.
4. Survivors pension shall commence from the first day of the month following the death of the beneficiary.
5. Notwithstanding sub article 4 of this article, pensions not paid during the life of the beneficiary shall be paid to the survivors in accordance with articles 40, 41 and 42 of the proclamation.
6. An employee who has completed at least 25 years of service and service is terminated after reaching the age of 55, the starting date of the pension benefit will be from the first day of the month following the date of termination of service.

57. Date of commencement of amended pension benefit decision

When the service, salary and other evidence that is not submitted when the pension determining, the pension will be revised and determined according to the presentation of the evidence as described in Article 56 of this directive.

58. Period of Limitation

According to Article 48 of the proclamation:

1. Any claim for arrears of pension will be barred after five years, but the pensioner will be paid consistent pension from the date of application.
2. A claim for gratuity payment shall be barred after five years beginning from the day following that in which the right may be exercised by the beneficiary;

3. Notwithstanding the provisions of sub article 1 of this article, pension claim for child shall be barred after the age of 18 years, after the age of 21 years in the case of disabled child.
4. According to article 48 sub article 3 of the proclamation, wasted time for the following reasons will not be considered for calculation of period of limitation.
 - a) period lapsed due to a court process started to establish right;
 - b) After written request of the administration, period lapsed due to failure of a private organization to submit relevant evidentiary documents of pension benefit entitlement for its employee;
 - c) Periods necessary for the decision of benefit entitlement by the administration.
 - d) In accordance with Article 1793 of the Civil Code, the period lapsed due to reasons beyond the power and control of the right holder.
5. According to sub-article 2 of article 48 of the proclamation, the period of limitation shall start from the day following the day on which the right can be exercised.

Part Eleven

Decision making procedure on pension rights and benefits Compliance

59. Compliance procedure

1. If any entitled person has a complaint about the decision made by the administration expert regarding pension rights and benefits, he must submit his complaint in writing within one year to the of the pension decision team leader at the head office and to the social security Administration team leader at the branch office.
2. A complain that is not filed within the time limit specified in sub article 1 of this article will be barred by period of limitation.
3. According to sub article 1 of this article the team leader will investigate the complaint and if he finds that the decision made by the expert is wrong, he will mention the error and direct the decision to the expert in writing for correction.
4. If the team leader believes that there is no error in the decision made by the expert and if he does not agree with the response given by the complainant, he must submit the complainant's complaint with a statement to the Compliance Committee.

60. Establishment of a Compliance handling committee

A Compliance handling committee has been constituted at every level by this directive.

61. Members of the Grievance Committee

The number of members of the Compliance handling Committee shall be 3. The structure of the committee will be as follows.

1. Head office

- a) Registration, Pension Contribution Income and pension Determining Corporate Directorate Director or his representative.....chief
- b) The leader of the pension contribution income team or his representative ... member,
- c) Legal expert.....Member and Secretary,

2. Branch office

- a) The head of the branch office or his/her representativeChief,
- b) Senior Pension Contribution Income AccountantMember,
- c) Senior Registration and Customer Service expert Member and Secretary.

62. Duties and Responsibilities of the Committee

1. Receives complaints about the decision of pension rights and benefits and examines the decision, if the decision is wrong, considers the reason for the mistake with the law and gives an explanation and correction, and directs the person who made the decision to make appropriate adjustments. When he finds the decision to be correct, he will notify the beneficiary in writing.
2. The committee will provide redress based on the relevant laws and regulations.
3. The committee may provide necessary evidence and ask for explanations from the applicants or the officials of the employer's private company so that it can make appropriate checks and adjustments.
4. The pension of an administrative officer or professional at any level is determined by Private Company Employees' Pension Proclamation No. 1268/2014 based on this implementation guide and relevant laws.

63. Time limit for decision making

Unless it is found that more time is needed to gather evidence, the decision on the submitted complaint will be made by the team leader within two working days of the complaint being submitted, and by the committee within five working days of the complaint being submitted.

64. Complaining on the decision made by the committee established at each level

1. Complaints against decisions made by committees at all levels shall be submitted to the vice Chief Executive Officer of Operation Division.
2. When the beneficiary requests to submit his complain to the vice Chief Executive Officer of the Operation Division, the directorate or branch office to which the complaint is submitted must submit the complaint to the senior management with an explanation within 5 working days of receiving the complaint.
3. The Chief Executive Officer of the Operations Division shall make a decision on the complaint submitted by the right holder within 10 working days and notify the complainant in writing of the decision.
4. Appeals against the decision of the senior management shall be submitted to the Social Security Appeals tribunal established by the Government Employees Pension proclamation.

65. Meeting and decision-making procedure

1. A committee formed according to this directive will meet once a week. However, the chairman may call an emergency meeting when necessary.
2. If more than half of the committee members are present, it will be a quorum.
3. The committee's decision will be taken by majority vote. In case of equality of votes, the proposal supported by the chairperson shall be implemented. A member who disagrees must specify the difference in writing.
4. When a member, his relative, or his friend's case is being considered, he should inform the committee about the same.
5. If the submitted petition is accepted by the committee and there is a decision error, the reason for the correction will be explained to the party that made the decision.
6. The summaries of the committee's amendment proposal will be prepared in two copies, one copy will be kept with the file and the other copy will be kept in the hand of the secretary.

66. Rights and duties of committee members

Any member of committee has responsibility:

1. To vote,

2. To actively participate in the meeting,
3. To observe the proceedings of the meeting;
4. To notify in advance, if he is unable to attend the meeting due to force majeure.
5. Except for force majeure, or for reasons specified in sub-section sub article 4 of this article, any member of the committee who fails to attend a meeting of the committee on time shall be liable for disciplinary action.

67. Review of Decisions

When new evidence is presented that was not presented at the time of the hearing, or when there is a legal reason based on law, an earlier decision may be reconsidered at each stage.

68. Disclosing decision

As appropriate, the decision on the complaint filed at each level will be communicated to the complainant in writing within 15 days from the date of the decision.

69. Duties and Responsibilities of the Chairman

1. He chairs the committee.
2. Monitors the committee the proper discharge of its powers and duties.
3. He reports work performance.

70. Duties and Responsibilities of the Secretary

1. Prepares the agenda of the committee and distributes it to the members.
2. Ensures that complaints are dealt with within the time limit.
3. He shall convene the Committee in the absence of the Chairperson

71. Appeal

1. According to article 54 or 55 of the proclamation any entitled person who is dissatisfied with the decision given by the administration will have the right to appeal to the Social Security Appeals Tribunal established by Public Employees' Pension Proclamation No. 1267/2014 within one year of the decision.
2. The decision of the Appeals tribunal shall be final, however, that any party may appeal to the Federal Supreme Court within 30 days, if there is a fundamental error of law in the decision.

3. The provisions of article 56 of Government Employees' Pension Proclamation No. 1267/2014 shall also apply to appeals submitted by employees of private organization in accordance with sub-article 1 of this article.
- 4.

Part Twelve

Miscellaneous provisions

72. Relationship between entitlements

According to Article 52 of the proclamation:

1. If a person entitled to receive pension is employed by a private organization covered by this proclamation and has not reached retirement age, the new service will be considered together with the previous service. However, that if the retirement benefit based on the accumulated service is less than the previous one, without prejudice to his right to receive the previous pension; he may not receive any payment or contribution reimbursement for the new service he provided.
2. According to the Pension Proclamation of Private organization Employees or the Pension Proclamation of Public Employees, the service performed by a private organization employee who has been re-employed before the retirement age of 60, the new service that has been rendered by him shall be added to his pension benefit with the previous service in accordance with Sub-Article (1) of this Article only when he attains the retirement age of 60; provided, however, that if it is ascertained by a medical board that the employee of a private organization is incapable of fulfilling service due to employment injury or health problems and separated from service, his pension shall be re-considered starting from the next month following his separation from service.
3. If a private organization employee is employed and salaried from two or more private organizations, the pension contribution may be collected according to his choice from salary paid by one private organization. However, if a private organization employee is a public servant as well, the pension contribution may not be collected from a salary paid by any private organization, and the service may not be calculated for pension benefit.
4. A decision made by one medical board may be reviewed by another medical board specializing in the field of the health problem.

5. According to article sub article 4 of this article, if the decision given by the medical board specializing in the field of health problems differs from the first medical board decision, the decision given by the medical board specializing in the field of health problem shall be accepted.

73. Repealed directives

The Private organization Employees' pension proclamation Implementation directive No. 1/2016 issued in September 2016 has been repealed by this directive.

74. Effective Date

This directive will be effective from the date registered by ministry of justice and uploaded on the website of the administration.

Done at Addis Ababa, June 2025

Teklewold Atnafu

Private Organization Employee's Social Security Administration

Chairman of the Executive Board