

Rwanda establishes subsidy contributions from employees for Community-Based Health Insurance Scheme

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Executive summary

Rwanda has issued a Prime Minister's Order related to subsidies to the Community-Based Health Insurance Scheme. The order is effective from 13 February 2020.

This order establishes subsidies that should be paid by employees in the public and private sectors, the government, health insurance entities, telecommunications and fuel trade companies.

It also defines the payment procedures, fines and penalties for non-compliance.

Detailed discussion

This order has introduced a statutory deduction of 0.5% from every employee's net salary to be contributed to the community-based health insurance scheme.

Employers are to remit these contributions to the Rwanda Social Security Board (RSSB) on or before the 15th of the following month.

Other Contributors towards the scheme include:

- ▶ Health insurance entities are required to pay 5% of all annual contributions collected in its health insurance category.

- ▶ Subsidiaries from public institutions with medical insurance schemes in their attributions are to pay 10% of all annual contributions collected.
- ▶ Each fuel trade company will pay FRW20 per liter of fuel that is sold to the community-based health insurance scheme.
- ▶ Each telecommunications company will pay 2.5% of its annual turnover to the RSSB in the first and second year after publication of this order. From the third year of this order, each telecommunication company will pay 3% of its turnover to RSSB.

Non-compliance will lead to a penalty of 200% of the unpaid amount.

Late payment of the subsidies will attract interest at the rate of 2% per month on a simple interest basis from the date the payment was due.

Next steps

Employers should ensure that they deduct the 0.5% from each employees' net salary and remit it to the RSSB by the due date.

Also, health insurance entities operating in Rwanda should ensure that they submit their payments to the RSSB within 30 days from the date of the end of the financial year of the health insurance entity.

Lastly, telecommunications or fuel trade companies should transmit their contributions to the Rwandan Utilities Regulatory Authority (RURA). RURA will then remit these contributions to RSSB.

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