Global Tax Alert

Kenya requires employers to comply with National Employment Authority Act

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Executive summary

In a bid to provide a comprehensive institutional framework for employment management, the *National Employment Authority Act* (NEAA) established a body known as the National Employment Authority (NEA).

The body is mandated with, among other responsibilities, the registration of persons seeking employment and facilitating the employment and placement of job seekers in formal and informal or any other form of employment, both locally and internationally.

To accomplish its objectives employers and all persons in search of employment are required to register with the NEA and fulfil certain specified requirements.

Detailed discussion

Application of the Act

This Act applies to the national government, the private sector, and the informal sector.

Who should register?

- ► All employers
- ▶ Persons in search of employment



Responsibilities of employers

- ► To file an annual return for each calendar year. This shall apply to an employer who employs 25 employees or more as stated in the *Employment Act of 2007* (NEA 6 Employers Annual Return Form).
- ► To notify the NEA of vacancies when they arise and after they are filled (NEA 2A Notification and Abolition of Vacancy Form).
- ► To notify the NEA of any employee terminations (NEA 8 Termination Form 1).
- ► To notify the NEA of internship opportunities (NEA INT2 Declaration of Internship Opportunities Form).
- ▶ To ensure that all information given to the NEA is factual.
- ► To request data of qualified youth from the NEA for employment consideration.

Responsibilities of registered unemployed persons

- ▶ To ensure that all information given to the NEA is factual.
- ► To continuously update or communicate to the NEA any changes in their bio data.

Offenses

Employers - Under the Employment Act of 2007, an employer who contravenes any of the relevant provisions commits an offense and shall on conviction be liable to a fine not exceeding KES100,000 or to imprisonment for a term not exceeding six months or both.

- ▶ Job seekers An applicant who offers false or inaccurate information to the NEA commits an offense and shall be liable, on conviction, to a fine not exceeding KES50,000 or to imprisonment for a term not exceeding three months, or both.
- NEA Unauthorized use of data is an offense and shall be liable on conviction to a fine not exceeding KES1,000,000 or imprisonment for a term not exceeding three years, or both.
- All parties A person who contravenes any provision of the NEAA to which no penalty has been prescribed commits an offense and shall be liable, on conviction, to a fine not exceeding KES500,000 in the case of a natural person, and to two million shillings in the case of a firm or body corporate, or to imprisonment for a term not exceeding two years, or both.

Next steps

Employers should ensure that they comply with the provisions of NEAA which include:

- a) Register with NEA
- b) File annual returns
- c) Provide information on vacancies, internship opportunities and terminations to NEA

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