

THE UNITED REPUBLIC OF TANZANIA



No. 37 OF 1974

I ASSENT,

Julius K. Nyerere
 President

30TH OCTOBER, 1974

**An Act to make provision for the Recovery from Employees of
 Parastatal Organizations of certain Debts due from them**

[1ST JANUARY, 1975]

ENACTED by the Parliament of the United Republic of Tanzania.

1. This Act may be cited as the Parastatal Employees (Recovery of Debts) Act, 1974 and shall come into operation on the 1st January, 1975.

Short title

2. In this Act, unless the context otherwise requires-

"the Community" includes any corporation within the Community and any institution of the Community;

Interpretation

"the court" in s a court of a Resident Magistrate;

"debt" means any sum of money due from a parastatal employee to his employing parastatal or to any other parastatal or to the Government or the Community, in respect of-

- (a) any loss caused to his employing parastatal, the Government, the Community, or any other parastatal, as the case may be, as a result of his negligence, failure by him to take reasonable care or failure by him to discharge his duties in reasonable manner;
- (b) any rental for any quarters provided by his employing parastatal or any other parastatal by which he was previously employed;
- (c) any loan or other payment made to the parastatal employee by his employing parastatal, the Government, the Community or any other parastatal, which the parastatal employee is under a duty to repay, refund or make;
- (d) goods supplied, services rendered or any other consideration whatsoever given by his employing parastatal, the Government, the Community or any other parastatal, as the case may be, to the parastatal employee or some other person for which the parastatal employee has rendered himself liable;

(e) any payment made to a parastatal employee by way of salary or allowances in excess of the salary or allowances to which he entitled, whether such payment was made by his employing parastatal or the Government, the Community or other parastatal by which he was previously employed,

together with such interest thereon as may be agreed upon by the parties concerned or, where no such interest has been agreed upon, interest at such rate as may be prescribed;

"employing parastatal" in relation to any parastatal employee, means the parastatal by which such parastatal is for the time being employed;

"the Minister" means the Minister responsible for finance;

"parastatal" means a parastatal organization;

"parastatal employee" means a person employed by a parastatal under a contract of service;

"parastatal organization" means-

(a) a local authority;

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(b) a body corporate established by or under any Act or Ordinance other than the Companies Ordinance;

(c) the Tanganyika African National Union, any organ of the Tanganyika African National Union and every body of persons, whether corporate or unincorporated, which is affiliated to the Tanganyika African National Union;

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(d) a trade union registered under the Trade Union Ordinance;

(e) any company registered under the Companies Ordinance not less than fifty per centum of the issued share capital of which is owned by the Government or a parastatal organization or, where the company is limited by guarantee, a company in respect of which the amount that the Government or the parastatal organization which is a member of such company has undertaken to contribute in the event of the company being wound up is not less than fifty per centum of the aggregate amount which all the members have undertaken to contribute; and references in this paragraph to a parastatal organization include references to any such company;

"proper authority" means-

(a) in relation to any parastatal employee other than the Manager, General Manager, Managing Director or other officer, whatever his designation, who is the chief executive officer of the parastatal, the officer who is the chief executive officer of the parastatal (by whatever designation he is known);

(b) in any other case, the chairman of the body of persons vested with the management or control of the parastatal Organization:

Provided that it shall be lawful for the Principal Secretary to the Treasury, by a direction under his hand, to provide in relation to any parastatal that the person named in the direction shall be the proper authority in relation to the category of

employees specified in the direction, and where such direction is given the person named therein shall be the proper authority in relation to the category of parastatal employees specified in the direction;

"salary" includes wages, allowances and any other remuneration or emoluments payable to a parastatal employee in respect of the office held by him;

3. Where any parastatal employee is liable for a debt, the proper authority may, without prejudice to any other means that may be available for the recovery of such debt, authorize the recovery of the debt by deductions from the parastatal employee's salary by monthly instalments not exceeding one-fourth of his monthly salary and the remittance of the sums deducted to the authority or corporation entitled to the payment of the debt.

Proper authority may direct deductions

Provided that where a parastatal employee is liable for payment of two or more debts the total amount authorized to be deducted from his salary in any month shall not exceed one-third of the salary payable in that month.

4. This Act shall not apply to any debt-

- (a) which the parastatal employee from whom the same is due has under an agreement in writing with his employing parastatal, undertaken to pay by instalments to be deducted from his salary; or
- (b) which may under the provisions of any other written law be recovered by deductions from the salary of the parastatal employee from whom the same is due.

Act Not to apply to certain debts

5. Where any deduction has been made from the salary of a parastatal employee in respect of any debt, such deduction shall operate to as a complete discharge of the parastatal employee from his liability in respect of that debt to the extent of the deduction made.

Deductions to operate as discharge

6.-(1) No deduction shall be made from the salary of a parastatal employee under the provisions of this Act unless a notice in writing has first been given to the employee by or on behalf of the proper authority.

Notice of deduction

(2) Every notice under subsection (1) shall state the amount of the debt due, the circumstances giving rise to the debt and the amount of the proposed deductions from the salary.

(3) A notice under subsection (1) shall, save for the purposes of an appeal under section 7 or for any further appeal, be conclusive proof of the liability of the parastatal employee to whom it is addressed in respect of the debt specified therein.

(4) A copy of every notice under subsection (1) shall be sent to the officer responsible for paying the salary of the parastatal employee and it shall be the duty of such officer to make deductions from the salary of the parastatal employee in accordance with the terms of the notice unless such notice or any term thereof is set aside or varied on any appeal made under section 7 or on any further appeal, in which case such officer shall comply with the order of the court deciding the appeal.

Appeals

7.-(1) Where a parastatal employee to whom a notice under section 6 has been given is aggrieved by any of the term of the notice he may, within thirty days of the receipt of the notice, appeal to the court.

(2) On an appeal under subsection (1) the court may confirm, set aside or vary the notice.

(3) An order of the court on an appeal under this section may be appealed from in the same manner and to the same extent in all respects as a decree of that court in a civil suit.

Chief Justice may make rules

8. The Chief Justice may make rules regulating the proceedings for appeals under this section.

when attachment on salary ordered

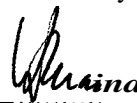
9. Where any deduction is made under the provisions of this Act from the salary of any parastatal employee and an attachment of the salary is ordered by any court under any law for the time being in force regulating attachments, the salary of the parastatal employee shall, for the purposes of such attachment, be deemed to be the difference between his salary and the deductions made under this Act.

Regulations

10. The Minister may make regulations for the better carrying out of the purposes of this Act and, without prejudice to the generality of the foregoing, may make regulations-

- (a) providing for payment of interest at a rate not exceeding seven percentum per annum on unpaid debts in respect of which no interest has been agreed upon the parties-,
- (b) prescribing anything which under this Act may be prescribed.

Passed in the National Assembly on the twenty-second day of October, 1974.



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Clerk of the National Assembly