DRAFTING NOTE

SOCIAL INSURANCE AND PUBLIC SERVICE PENSIONS ACT 2026

1. Status and purpose of this note

This drafting note is explanatory and is not part of the proposed Assembly Act. It identifies the legislative need, the relationship with earlier Eritrean law, the principal matters retained, the modernization choices made and the place of the draft within the emerging constitutional statute book. The instrument remains a consultation draft and should be finalized only after legal, institutional, fiscal and public review.

2. Legislative need and prior law

The draft consolidates Proclamations 135/2003, 136/2003, 137/2003 and 146/2005 and related public-service and survivor schemes while preserving accrued entitlements.

3. What the draft retains

It retains contributory pensions, disability and survivor benefits, public-service retirement and lawful recognition of prior service.

4. What the draft updates and modernizes

It creates transparent eligibility and financing, portable records, equality, digital contribution histories, independent governance and audit, review and appeal, actuarial reporting and coordination with the Civil Service, Labour and veterans legislation.

5. Constitutional, code and treaty fit

The draft is framed under the Constitution of Eritrea 1997 and must be read with the Civil Code, Penal Code, Civil Procedure Code and Criminal Procedure Code of Eritrea 2015 where those Codes govern. It is also coordinated with the other institutional, financial, commercial, land, labour, administrative and sectoral drafts in this collection. References to international or regional standards guide compatibility and implementation; they do not bypass the Treaty-Making Act or convert an unincorporated instrument into domestic law.

6. Scope and organization

The principal divisions address preliminary provisions; schemes and coverage; national social insurance and pensions fund; registration, contributions and records; old-age pensions; invalidity and survivors benefits; employment injury insurance; public service pension scheme; claims, decisions and review; finance, actuarial and investment governance; information, compliance and integrity; transition and final provisions.

7. Transition, implementation and consultation

The draft preserves lawful accrued rights, completed transactions, pending proceedings and institutional continuity where appropriate, while preventing temporary savings from preserving unconstitutional coercion or indefinite executive discretion. Before enactment or issuance, authentic predecessor instruments and amendments should be verified, cross-references and fiscal capacity confirmed, implementing regulations and digital systems prepared, and affected institutions, professions, communities and the public given a practical opportunity to comment.

CONSULTATION DRAFT — NOT ENACTED LAW

ACT NO. ___ OF 2026

SOCIAL INSURANCE AND PUBLIC SERVICE PENSIONS ACT 2026

(ACT)

AN ACT TO ESTABLISH A UNIVERSAL CONTRIBUTORY SOCIAL-INSURANCE AND PENSION FRAMEWORK; TO PROVIDE OLD-AGE, INVALIDITY, SURVIVORS' AND EMPLOYMENT-INJURY PROTECTION AND PHASED ADDITIONAL BENEFITS; TO PRESERVE AND MODERNIZE PUBLIC-SERVICE PENSIONS; TO ESTABLISH INDEPENDENT FUNDS, GOVERNANCE, ACTUARIAL, INVESTMENT, CONTRIBUTION, BENEFIT, REVIEW AND TRANSITIONAL ARRANGEMENTS; AND TO PROVIDE FOR RELATED MATTERS.

PREAMBLE

WHEREAS Articles 8, 14 and 21 of the Constitution of Eritrea require social justice, equality, development and policies directed toward the welfare of all citizens;
WHEREAS Eritrea's obligations under the International Covenant on Economic, Social and Cultural Rights and applicable International Labour Organization conventions recognize social security and protection of workers and families;
WHEREAS prior proclamations established national and public-sector pension arrangements whose accrued rights and lawful contributions must be preserved while governance, coverage, portability and sustainability are modernized;
WHEREAS the Labour Code of Eritrea 2026 governs employment relationships and employment-injury duties, and the Civil Code governs family status, succession and private obligations, which this Act should coordinate with rather than duplicate;
NOW, THEREFORE, be it enacted by the National Assembly of Eritrea, acting under Article 32 of the Constitution, as follows:

CHAPTER I
PRELIMINARY PROVISIONS

Article 1 — Short title

1. This Act may be cited as the "Social Insurance and Public Service Pensions Act 2026".
2. It applies throughout Eritrea.

Article 2 — Purposes

1. to secure contributory income protection across working life;
2. to preserve accrued public and private pension rights;
3. to pool risk fairly and extend coverage progressively;
4. to maintain actuarial, financial and institutional sustainability; and

5. to provide transparent, portable and accessible benefits.

Article 3 — Interpretation

1. "contribution" means a payment required or permitted under this Act;
2. "Fund" means the National Social Insurance and Pensions Fund;
3. "insured person" means a person registered or credited under this Act;
4. "pensionable earnings" means earnings prescribed for contribution and benefit calculation;
5. "public servant" has the meaning in the Civil Service Administration Act; and
6. "scheme" means a benefit arrangement established under this Act.

Article 4 — Principles

1. Administration shall be lawful, equitable, contributory, sustainable, transparent and accessible.
2. Benefits shall protect dignity without creating promises unsupported by contributions and public capacity.
3. Gender, disability, interrupted work, unpaid care and informal employment shall be considered in design.
4. Political, military or personal loyalty shall not affect entitlement.

Article 5 — Non-discrimination

1. Coverage and benefits shall be administered without unconstitutional discrimination.
2. Equivalent contributions and circumstances shall receive equivalent treatment.
3. Reasonable accommodation, interpretation and accessible service shall be provided.
4. Corrective measures may address historic exclusion consistently with law.

Article 6 — Relationship with other laws

1. The Labour Code of Eritrea 2026 governs employment terms, wages, termination and employer safety duties.
2. The Civil Code governs civil status, guardianship, succession, assignment and private obligations except necessary benefit rules in this Act.
3. The Civil Service Administration Act governs public employment; this Act governs pension and social-insurance benefits.
4. Procedural Codes govern court proceedings and enforcement.

CHAPTER II
SCHEMES AND COVERAGE

Article 7 — Schemes established

1. This Act establishes the National Pension Scheme, Employment Injury Insurance Scheme and Public Service Pension Scheme.

2. Additional sickness, maternity, unemployment or family benefits may be activated only by Assembly Act or regulations expressly authorized after actuarial and fiscal review.
3. Each scheme shall maintain transparent accounts.
4. Assets shall not be diverted between schemes except under law and actuarial advice.

Article 8 — Compulsory coverage

1. Every employee in Eritrea is covered unless a narrow statutory exclusion applies.
2. Citizenship, employer type, contract duration or method of payment does not defeat coverage.
3. Domestic, agricultural, seasonal and casual workers shall be included through practicable regulations.
4. An employer shall not contract out of coverage.

Article 9 — Public servants

1. Public servants are covered by the National Pension Scheme and the Public Service Pension Scheme as this Act provides.
2. Service status shall not reduce universal protection.
3. Contributions and accrued public-service credits shall be recorded separately where necessary.
4. Unpaid national service shall not be treated as pensionable employment except by express funded law.

Article 10 — Self-employed persons

1. A self-employed person shall register and contribute under income bands or another practicable basis.
2. Simplified digital and community collection shall support participation.
3. Low and irregular income may receive flexible schedules and lawful subsidy.
4. False classification of employees as self-employed is prohibited.

Article 11 — Voluntary coverage

1. A person outside compulsory coverage, including a diaspora citizen, caregiver, student or returning migrant, may contribute voluntarily under prescribed terms.
2. Voluntary terms shall be actuarially fair and transparent.
3. Prior account credit shall remain portable.
4. Voluntary participation does not create residence or tax status.

Article 12 — Migrant and cross-border workers

1. Lawfully employed migrant workers shall receive equal contributory treatment.
2. Bilateral portability arrangements require valid treaty authority.
3. Departure shall not forfeit vested rights.
4. Refund, preservation or transfer shall follow actuarial and treaty rules.

Article 13 — Exclusions and special systems

1. An exclusion requires an Assembly Act and equivalent or better protection.
2. Military and police personnel may have funded occupational supplements but remain subject to transparent pension law.
3. A private occupational plan does not replace statutory coverage.
4. Diplomatic and short-term foreign cases may be regulated consistently with treaties.

CHAPTER III
NATIONAL SOCIAL INSURANCE AND PENSIONS FUND

Article 14 — Establishment

1. The National Social Insurance and Pensions Fund is established as an independent public body.
2. It has legal personality, administrative autonomy and perpetual succession.
3. Its assets belong beneficially to insured persons and beneficiaries for statutory purposes.
4. They are not ordinary executive revenue.

Article 15 — Functions

1. The Fund shall register, collect, maintain accounts, determine and pay benefits, invest assets, obtain valuations and provide information.
2. It shall prevent evasion and error proportionately.
3. It shall coordinate with tax, labour and civil-service bodies under data safeguards.
4. It shall not determine criminal guilt.

Article 16 — Governing Board

1. The Board shall include independent members representing insured workers, employers, pensioners, government and actuarial, investment, legal and public-interest expertise.
2. No constituency may control the Board alone.
3. Members owe fiduciary duties to the Fund.
4. Serving senior party, military, police or intelligence officers are ineligible.

Article 17 — Selection and terms

1. Members shall be selected transparently through representative and merit processes prescribed by law.
2. Terms shall be staggered, limited and ordinarily five years.
3. Interests, qualifications and reasons shall be published.
4. Removal requires cause, hearing and reasons.

Article 18 — Chief Executive and staff

1. The Board shall appoint a Chief Executive through open competition.
2. Staff shall be professionally recruited under fair terms.
3. Investment, contribution, benefit, risk and internal-audit duties shall be separated.
4. An unlawful direction shall be refused and reported.

Article 19 — Fiduciary duties

1. A Board member and officer shall act honestly, prudently, loyally and for statutory beneficiaries.
2. They shall avoid and disclose conflicts and not profit personally.
3. A related transaction requires lawful independent safeguards.
4. Breach may result in discipline, civil recovery or referral under applicable law.

Article 20 — Budget, accounts and audit

1. The Fund shall prepare an annual administrative and investment budget.
2. Accounts shall follow public-sector and pension-fund standards as applicable.
3. The Auditor General has full audit authority; independent actuarial and financial audits may supplement it.
4. Statements and responses shall be published.

CHAPTER IV
REGISTRATION, CONTRIBUTIONS AND RECORDS

Article 21 — Registration

1. Every employer shall register itself and employees promptly.
2. Each insured person shall receive a unique social-insurance number and accessible account.
3. Identity systems shall prevent duplicate and ghost records without excluding genuine persons.
4. Late registration shall preserve entitlement through verified evidence.

Article 22 — Contribution rates

1. Employee, employer, self-employed and public-employer rates shall be prescribed by Assembly Act or regulation expressly authorized within statutory and actuarial limits.
2. Rates shall be reviewed after valuation and public consultation.
3. A change shall provide reasonable notice.
4. Administrative regulation shall not impose an unfunded benefit promise.

Article 23 — Contribution base

1. Contributions shall be calculated on pensionable earnings subject to transparent floors and ceilings.
2. Cash and material regular remuneration may be included under published rules.
3. Reimbursement and exceptional benefit shall not be disguised to evade contribution.
4. Rules shall align reasonably with payroll and tax administration.

Article 24 — Collection and remittance

1. An employer shall deduct the employee share lawfully, add its share and remit both within the prescribed period.
2. Deducted contributions are trust money and shall not finance the employer.
3. Electronic payment and declaration shall be available.
4. The Fund shall issue immediate verifiable records.

Article 25 — Employer records

1. Employers shall maintain payroll, identity, earnings, contribution and employment records for the prescribed period.
2. Workers may inspect their own records.
3. The Fund may verify records proportionately.
4. Record defects caused by the employer shall not automatically defeat the worker.

Article 26 — Individual contribution statement

1. The Fund shall provide each insured person an annual and on-demand statement of credited earnings, service and contributions.
2. A person may correct error through accessible procedure.
3. The authoritative record and every amendment shall preserve audit trail.
4. Digital access shall have a non-digital alternative.

Article 27 — Late payment and arrears

1. Late contributions attract prescribed interest and proportionate administrative recovery.
2. The Fund may agree a secured payment plan where it protects workers and viability.
3. A worker's benefit shall not be reduced because the employer deducted but failed to remit, subject to Fund recovery.
4. Material arrears shall be reported and enforced.

Article 28 — Recovery and inspection

1. Authorized officers may require relevant records and recover contributions through civil and administrative procedures.
2. Entry and seizure require lawful safeguards and warrants where applicable.

3. The Fund may coordinate with tax administration without converting contributions into tax.
4. Criminal allegations are referred under the Penal and procedural Codes.

Article 29 — Contribution subsidies

1. The State may subsidize contributions for low-income, disability, caregiving, transition or another lawful group through an explicit appropriation.
2. Subsidy shall be targeted, transparent and fiscally costed.
3. Political affiliation shall not affect eligibility.
4. Unpaid subsidy obligations shall be disclosed as public liabilities.

CHAPTER V
OLD-AGE PENSIONS

Article 30 — Normal pension age

1. The normal pension age is sixty-five years unless amended by Assembly Act after actuarial, labour-market and equality review.
2. Different treatment for hazardous occupations requires evidence and funding.
3. Compulsory retirement from employment is governed separately by labour or civil-service law.
4. Pension entitlement does not prohibit lawful work.

Article 31 — Qualifying conditions

1. An insured person qualifies for an old-age pension upon reaching pension age and satisfying the minimum contribution period prescribed by law.
2. Periods shall aggregate across covered employment and self-employment.
3. Credited periods require funded or expressly approved basis.
4. A short contributor may qualify for gratuity or preserved balance under Article 34.

Article 32 — Benefit formula

1. Pension shall be calculated from credited pensionable earnings, contribution period and an accrual formula prescribed transparently.
2. The formula shall be actuarially sustainable and avoid arbitrary cliff effects.
3. Earnings averaging shall protect against manipulation and unreasonable inflation erosion.
4. The Fund shall provide an understandable calculation.

Article 33 — Early and deferred retirement

1. Actuarially reduced early pension may be available within prescribed age and contribution limits.
2. Deferred retirement shall receive actuarially justified enhancement.
3. The person shall receive neutral information before election.

4. Election rules shall protect against employer coercion.

Article 34 — Minimum period and gratuity

1. A person below the minimum pension period shall receive a contributory gratuity, refund with lawful adjustment, or option to continue voluntarily.
2. The option shall preserve reasonable risk pooling and administrative cost.
3. Employer contributions shall not become an employer asset.
4. The person shall receive comparative explanation.

Article 35 — Indexation

1. Pensions shall be reviewed regularly against inflation, wages, Fund capacity and minimum living protection.
2. Indexation method shall be prescribed by Assembly Act or funded regulation within authority.
3. A discretionary increase shall be transparent and nondiscriminatory.
4. The actuarial and fiscal cost shall be published.

Article 36 — Working while receiving pension

1. A pensioner may work and receive pension subject to transparent contribution and tax rules.
2. Re-employment shall not result in arbitrary suspension.
3. New contributions may produce a supplementary benefit where prescribed.
4. Public double compensation concerns shall be addressed by general and equal rules.

CHAPTER VI
INVALIDITY AND SURVIVORS BENEFITS

Article 37 — Invalidity pension

1. An insured person whose long-term functional capacity for gainful work is substantially reduced may qualify for invalidity pension.
2. Assessment shall consider occupation, rehabilitation and reasonable accommodation.
3. Disability alone shall not compel retirement where work is reasonably possible.
4. Contribution conditions may be relaxed for recent entrants and employment injury.

Article 38 — Medical and functional assessment

1. Assessment shall use independent qualified evidence and a functional, not purely diagnostic, approach.
2. The person may submit contrary evidence and receive reasons.
3. Periodic review shall be proportionate and not harassing.
4. Permanent and irreversible conditions shall not receive unnecessary reassessment.

Article 39 — Rehabilitation and return to work

1. The Fund shall support reasonable rehabilitation, vocational services and graduated return to work.
2. Benefit adjustment shall avoid abrupt loss during genuine work attempt.
3. Participation shall respect dignity and medical evidence.
4. Employer accommodation duties remain governed by labour law.

Article 40 — Survivors pension

1. Upon an insured person's death, eligible spouse, children and dependent beneficiaries may receive survivors benefits.
2. Status and relationship are determined under the Civil Code and applicable family law.
3. Benefit shares and duration shall be prescribed transparently.
4. A survivor's sex shall not affect entitlement.

Article 41 — Children and dependants

1. A child qualifies to the prescribed age and longer while in education or because of disability under fair rules.
2. A child outside formal marriage shall not be discriminated against.
3. A guardian receives money for the child under fiduciary duties.
4. Dependency shall be assessed on evidence and reviewable.

Article 42 — Funeral grant

1. A reasonable one-time funeral grant may be paid upon the death of an insured person or pensioner.
2. Payment shall be prompt to the person bearing costs or lawful representative.
3. It shall not determine succession or family status.
4. Amount shall be reviewed transparently.

CHAPTER VII
EMPLOYMENT INJURY INSURANCE

Article 43 — Coordination with Labour Code

1. Employer duties to prevent injury, report accidents and provide safe work remain governed by the Labour Code of Eritrea 2026.
2. This Scheme provides pooled statutory benefits and may replace specified employer cash liability only to the extent expressly stated.
3. Civil liability for intentional or independently actionable wrong remains governed by applicable law.
4. A worker shall not receive duplicate compensation for the same loss.

Article 44 — Covered injury and disease

1. Coverage includes accident arising out of and in the course of employment and prescribed occupational disease.
2. Reasonable travel and employer-directed activity may be included.
3. Deliberate self-harm unrelated to work may be excluded after proof.
4. Worker fault does not defeat no-fault benefits except as narrowly prescribed.

Article 45 — Employer reporting

1. An employer shall report death, serious injury and occupational disease promptly and other cases within prescribed time.
2. Failure to report shall not defeat the worker.
3. Health providers may report with privacy safeguards.
4. The labour inspectorate and Fund shall coordinate evidence.

Article 46 — Medical and rehabilitation benefits

1. The Scheme shall provide necessary medical treatment, rehabilitation, assistive devices and return-to-work support.
2. Quality and access shall be monitored.
3. A worker shall have reasonable choice and second opinion under rules.
4. Payment arrangements shall not delay emergency care.

Article 47 — Temporary incapacity benefit

1. A worker unable to work temporarily because of covered injury shall receive periodic earnings-related benefit after any lawful short waiting period.
2. Employer sick-pay coordination shall prevent gaps and duplication.
3. Partial capacity may receive partial benefit.
4. Payment continues through reasonable recovery assessment.

Article 48 — Permanent disablement benefit

1. Permanent impairment and earning-capacity loss shall produce periodic pension or, for minor impairment, a proportionate lump sum.
2. Assessment schedules shall be evidence-based and permit individualized effect where necessary.
3. Review and deterioration claims shall be available.
4. Sex or occupation stereotype shall not distort assessment.

Article 49 — Employment-injury survivors benefit

1. Death from covered employment injury entitles eligible survivors to pension and funeral benefit.
2. Contribution minimum shall not be required.

3. The Fund may pursue subrogated recovery from a legally liable third party.
4. Recovery shall not reduce survivors below statutory entitlement improperly.

Article 50 — Prevention incentives

1. Contribution classification may reflect sector risk and prevention performance within fair limits.
2. A system shall not discourage reporting or punish workers.
3. High-risk employers may be required to implement corrective plans.
4. Aggregate injury data shall support prevention.

CHAPTER VIII
PUBLIC SERVICE PENSION SCHEME

Article 51 — Continuation and modernization

1. The Public Sector Pension Fund and lawful accrued rights under prior proclamations are continued within the Public Service Pension Scheme.
2. The Scheme shall have separately identifiable accounts and liabilities.
3. Modern administration shall not cancel earned service.
4. Prior records shall be verified fairly.

Article 52 — Coverage of public service

1. Every public servant in a pensionable office is covered from lawful appointment.
2. Temporary and part-time service shall receive proportionate treatment.
3. Political office and special constitutional office shall be covered only by general law, not private arrangement.
4. National service is not public employment unless law expressly converts the relationship.

Article 53 — Contributions

1. Public servants and public employers shall contribute at rates prescribed on actuarial advice.
2. Contributions shall be paid through payroll and credited individually.
3. The employer share shall appear transparently in the national budget.
4. Contribution holidays require Assembly authority and funding analysis.

Article 54 — Pensionable service and earnings

1. Pensionable service includes verified covered public employment and lawful credited periods.
2. Pensionable earnings shall be defined uniformly and not inflated through end-of-career allowances.
3. Concurrent service shall not be double counted.
4. Breaks and transfers shall be recorded accurately.

Article 55 — Public-service benefit

1. The public-service pension may supplement or coordinate with the National Pension Scheme under a published formula.
2. Total benefits shall reflect service and contributions without unjustified privilege.
3. A reform shall protect accrued rights while future accrual may change prospectively.
4. Calculation shall be provided to the member.

Article 56 — Transfer and portability

1. Movement between public entities, local government and covered private employment shall preserve national pension credits.
2. Occupational public-service credits may transfer under actuarially fair rules.
3. A worker shall not lose pension for leaving government.
4. Transfer values and records shall be transparent.

Article 57 — Separation before pension age

1. A public servant leaving before pension age retains vested rights or receives a lawful transfer or gratuity option.
2. Dismissal does not forfeit earned pension except recovery ordered by a court under general law.
3. Political change shall not affect entitlement.
4. The person shall receive a separation statement.

Article 58 — Special occupational schemes

1. A hazardous or uniformed-service supplement requires an Assembly Act stating contributions, retirement terms and fiscal cost.
2. It shall not be financed secretly from the general Fund.
3. Military rank or political history alone shall not create benefit.
4. Existing special promises shall be verified and disclosed.

Article 59 — No simultaneous salary and occupational pension

1. Receipt of salary from the same full-time pensionable public office may suspend the occupational supplement under general rules while preserving the national pension.
2. Exceptions require transparent law for temporary or part-time service.
3. The rule applies equally to senior officials.
4. Recovery requires fair notice.

CHAPTER IX
CLAIMS, DECISIONS AND REVIEW

Article 60 — Claim for benefit

1. A claim may be made electronically, in writing, orally with assistance or through a lawful representative.
2. The Fund shall obtain information already held by government where lawful rather than burden the claimant.
3. No claim fee may be charged.
4. A receipt and tracking number shall be provided.

Article 61 — Decision and reasons

1. The Fund shall decide within published time limits and provide calculation, evidence, effective date and review rights.
2. A refusal, reduction or suspension requires intelligible reasons.
3. Undisputed portions shall be paid.
4. Delay attributable to administration shall not reduce arrears due.

Article 62 — Provisional and urgent payment

1. Where entitlement is probable but verification is delayed, the Fund may make provisional payment subject to fair reconciliation.
2. Urgent hardship and funeral claims shall receive priority.
3. Recovery of official error shall consider fault, reliance and hardship.
4. Fraud is treated separately under law.

Article 63 — Internal reconsideration

1. A claimant may request reconsideration by an officer not involved originally.
2. New evidence and alleged error shall be considered promptly.
3. Benefit shall ordinarily continue during review where suspension would cause severe harm and fraud is not strongly indicated.
4. Reasons shall be issued.

Article 64 — Social Insurance Appeals Tribunal

1. An independent Social Insurance Appeals Tribunal is established.
2. Members shall include legal, actuarial, medical, labour and public-interest expertise.
3. Proceedings shall be accessible, informal, evidence-based and independent of the Fund.
4. The Tribunal may affirm, vary, set aside or remit.

Article 65 — Judicial review and appeal

1. A party may seek judicial review and any appeal provided by law.

2. The court may order interim payment, correction and effective remedy.
3. Technical expertise shall be respected without surrendering legal review.
4. Procedural Codes govern court process.

Article 66 — Representation and legal aid

1. A claimant may be represented by an advocate, union, family member or authorized adviser under applicable law.
2. Legal aid may be available under the Legal Aid Act.
3. The Fund shall not retaliate for representation or complaint.
4. Complex forms shall be explained.

CHAPTER X
FINANCE, ACTUARIAL AND INVESTMENT GOVERNANCE

Article 67 — Sources and separate accounts

1. Scheme assets consist of contributions, appropriations, investment income, recoveries and lawful grants.
2. Each scheme and material reserve shall have separate actuarial accounts.
3. Assets shall not finance ordinary government expenditure.
4. Transactions pass through authorized accounts.

Article 68 — Actuarial valuation

1. An independent actuarial valuation shall occur at least every three years and before material benefit or rate change.
2. It shall assess assets, liabilities, demographics, wages, inflation, coverage and scenarios.
3. Assumptions and sensitivity shall be disclosed.
4. The report shall be submitted to the National Assembly and published.

Article 69 — Funding response

1. Where valuation shows material imbalance, the Board and Government shall propose a time-bound response.
2. Measures may include contribution, retirement, benefit, subsidy, investment or administrative reform, with accrued-right protection.
3. No measure shall be concealed until insolvency.
4. The Assembly shall enact changes reserved to law.

Article 70 — Investment policy

1. The Board shall adopt a prudent diversified investment policy matching liabilities, liquidity and risk.
2. The policy shall state allocation, limits, benchmarks, environmental and governance considerations and prohibited assets.

3. Investment shall seek risk-adjusted beneficiary value, not political direction.
4. The policy and performance shall be published.

Article 71 — Prohibited investments and use

1. The Fund shall not make unsecured loans to government officials, political bodies, Board members, employers or related persons.
2. It shall not finance a project merely by executive direction.
3. Government securities may be purchased only under prudent limits and market terms.
4. Fund assets shall not be pledged for unrelated public debt.

Article 72 — Investment managers and custody

1. Managers, advisers and custodians shall be selected competitively for competence, independence and value.
2. Assets shall be held by an independent custodian with reconciliation.
3. Fees, beneficial ownership and conflicts shall be disclosed.
4. Performance shall be measured net of cost.

Article 73 — Risk and reserves

1. The Fund shall maintain contribution, benefit, liquidity, operational, investment, cyber and fraud risk systems.
2. Reserves shall follow actuarial advice.
3. Stress testing and continuity plans shall be reviewed annually.
4. Material breach shall be reported promptly.

Article 74 — Administrative expenses

1. Administrative cost shall be reasonable, budgeted and reported by scheme.
2. Executive compensation and procurement shall be transparent.
3. Fund money shall not support partisan publicity.
4. Efficiency shall not undermine claimant access or record quality.

CHAPTER XI
INFORMATION, COMPLIANCE AND INTEGRITY

Article 75 — Digital social-insurance system

1. The Fund shall maintain secure registration, contribution, claim, payment and account systems.
2. Identity, access, encryption, audit logs, backup and continuity shall be reliable.
3. A non-digital assisted route shall remain available.
4. Technology failure shall not extinguish entitlement.

Article 76 — Data protection and sharing

1. Personal data shall be collected for lawful purposes, accurate, secure and retained no longer than required.
2. Sharing with tax, labour, civil service, health and identity bodies requires necessity and safeguards.
3. An insured person may access and correct personal data.
4. Commercial reuse is prohibited.

Article 77 — Artificial intelligence

1. Automated tools may assist matching, forecasting and anomaly detection.
2. No final denial, disability assessment or fraud finding may be made solely by automation.
3. Systems shall be tested for accuracy, bias, explainability and security.
4. Human review and reasons are required.

Article 78 — Employer compliance

1. The Fund shall use education, reminders, inspection, recovery and proportionate sanctions to secure compliance.
2. Small and new employers shall receive accessible guidance.
3. Intentional deduction theft and record falsification shall be referred under applicable law.
4. Compliance publication shall follow due process.

Article 79 — Fraud and overpayment

1. Suspected fraud shall be investigated fairly and individually.
2. The Fund may suspend a disputed portion only where evidence and risk justify it.
3. Recovery shall distinguish claimant fraud, employer misconduct and official error.
4. Criminal liability is governed by the Penal and procedural Codes.

Article 80 — Protected disclosures

1. Workers, employers, staff and others may report wrongdoing through protected channels.
2. Retaliation is prohibited.
3. Evidence shall be preserved and assessed independently.
4. Good-faith error is not malicious reporting.

Article 81 — Public information

1. The Fund shall publish eligibility, rates, formulas, forms, time limits, statistics, investments, expenses and decisions of general importance.
2. Personal data shall be protected.
3. Information shall be accessible in Eritrean languages progressively.
4. No unpublished rule may reduce a benefit.

CHAPTER XII
TRANSITION AND FINAL PROVISIONS

Article 82 — Legacy-rights inventory

1. Within twelve months, the Fund shall inventory members, pensioners, contributions, service, assets, liabilities and unresolved claims under prior schemes.
2. Individuals shall receive statements and correction opportunity.
3. Missing State records shall be reconstructed from reliable alternative evidence.
4. Uncertainty shall be disclosed, not used automatically against the claimant.

Article 83 — Accrued rights

1. A pension or benefit lawfully earned before commencement is protected.
2. Future accrual may be changed prospectively by law for sustainability while respecting constitutional property and legitimate reliance.
3. Payment shall continue during institutional transfer.
4. No political or collective forfeiture is permitted.

Article 84 — Transfer of funds and assets

1. Assets, records, contracts, claims and liabilities of predecessor pension institutions transfer to the Fund under an audited schedule.
2. Title shall be registered and custody secured.
3. Transfer does not merge scheme accounts improperly.
4. The Auditor General shall report on completeness.

Article 85 — Contribution arrears at transition

1. Government and employers shall disclose and reconcile unpaid contributions.
2. A funded settlement plan shall protect beneficiaries and fiscal stability.
3. Employee deductions already taken receive full credit.
4. Waiver of employer arrears requires transparent authority and shall not reduce worker rights.

Article 86 — Employment-injury transition

1. Existing injuries and claims remain governed by the more protective accrued entitlement.
2. The Minister shall identify the date on which pooled Scheme benefits replace specified employer cash obligations.
3. Prevention and employer reporting duties continue.
4. No claimant shall fall between systems.

Article 87 — Regulations

1. The President may issue regulations on recommendation of the Board and responsible Minister for coverage, contributions within authority, benefits, claims, investment and transition.
2. Material regulations require actuarial analysis and public consultation.
3. Regulations shall not create a crime, tax or unfunded scheme beyond an Assembly Act.
4. All instruments shall be published.

Article 88 — Review of prior instruments

1. The Minister, Fund, Advocate General and Auditor General shall review prior pension, provident-fund and social-security instruments within twelve months.
2. Verified repeal, consolidation and savings shall be proposed.
3. The Labour Code of Eritrea 2026 and Civil Code shall not be repealed by implication.
4. Authentic enacted text shall not be silently changed.

Article 89 — Repeal and savings

1. Prior pension instruments are repealed only when identified by verified number, year and title in the statute-law revision schedule.
2. Lawful pensions, contributions, claims, service credits and proceedings continue.
3. Unpublished benefit reduction and political forfeiture are not preserved.
4. Existing subordinate rules expire within twenty-four months unless lawfully remade.

Article 90 — Independent review

1. After five years, an independent review shall assess coverage, adequacy, sustainability, equality, governance, investment and transition.
2. It shall consult insured persons, pensioners, workers, employers and experts.
3. The report and institutional responses shall be published and submitted to the National Assembly.
4. Protected personal information shall not be disclosed.

Article 91 — Commencement

1. This Act enters into force ninety days after publication in the Gazette.
2. Articles 4 to 6, 21, 26, 27, 51, 60 to 66, 75 to 77 and 82 to 85 apply immediately.
3. Contribution and benefit changes take effect only on dates prescribed after operational and actuarial readiness.

Made at Asmara, this ___ day of __________ 2026.

THE NATIONAL ASSEMBLY OF ERITREA