Republic of Zambia

2025

PUBLIC SECTOR PAY POLICY

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The journey towards equitable compensation and fair treatment within Zambia's public sector has been marked by both progress and persistent challenges. The quest for fair emoluments spanning over years, reflects a collective endeavor to rectify deep-rooted inequities and inconsistencies in the salaries and conditions of service across State organs and institutions.

Zambia's public sector has grappled with piecemeal approaches and non-transparent mechanisms in determining emoluments, leading to disparities and demotivation among personnel. Recognising the imperative for systematic reform, the Government embarked on a transformative path with the inception of the Medium Term Pay Reform Strategy (MTPRS) in 2002. This landmark initiative aimed at overhauling the compensation framework, aligning it with the imperatives of attracting, retaining, and motivating skilled personnel for enhanced service delivery.

The subsequent development of the Public Service Pay Policy (PSPP) in 2009 and the Integrated Competitive Total Remuneration Strategy (ICTRS) in 2012 represented pivotal milestones in this trajectory. Yet, despite these commendable efforts, the absence of a unified institutional framework hindered the realisation of desired outcomes. The lack of transparency and coordination persisted, perpetuating discrepancies in salaries and conditions of service.

In response to these challenges, the Emoluments Commission Act No.1 of 2022 signaled a new era of accountability and coherence in emoluments determination. The establishment of the Emoluments Commission symbolised a decisive step towards institutionalising fairness and equity in compensation practices. It underscored the collective resolve to uphold the principles of transparency, consistency, and fiscal sustainability in remuneration management.

The Public Sector Pay Policy aims to address compensation disparities by prioritising equity, fairness, and fiscal responsibility. It envisions a public sector where salaries reflect adequate living conditions, promotes inclusivity and align with national development objectives.

This Policy serves as a cornerstone for informed decision-making and transformative action. It lays bare the intricacies of compensation structures, illuminating areas of concern and avenues for improvement.

Let us remain steadfast in our dedication to building a public sector that embodies the principles of fairness, transparency, and inclusivity. Together, let us forge a path toward a future where every public servant is valued, empowered, and fairly compensated for their contributions to national development.

Hakainde Hichilema
PRESIDENT OF THE REPUBLIC OF ZAMBIA

I would like to extend my heartfelt gratitude to all those who have contributed to the successful formulation of the Public Sector Pay Policy. This Policy is the result of the collective effort, dedication, and expertise of numerous individuals and institutions.

My sincere appreciation goes to the stakeholders for their invaluable insights, active participation, and unwavering commitment throughout this process.

I also wish to acknowledge the Technical Working Group comprising the National Assembly of Zambia; Public Service Management Division; Judiciary; Ministry of Justice; National Pension Scheme Authority and Policy Analysis and Coordination Division for their exceptional diligence and expertise. Your rigorous analysis, thorough research, and collaborative approach have ensured that the policy is grounded in robust evidence and best practices.

Further, I am grateful to the cooperating partners for your continued technical support and collaboration. Special gratitude goes to the Chandler Institute of Governance for the invaluable support provided towards the formulation of this Policy.

I look forward to our continued collaboration and support of all stakeholders as we move forward with the implementation of this important policy.

Patrick K. Kangwa
SECRETARY TO THE CABINET

Conditions of Service	Specific terms, rules, and regulations that govern the employment and working arrangements of employees.
Emoluments	Salaries, allowances, benefits, and rights that form an individual's remuneration for services rendered, including pension benefits or other benefits on retirement.
Emoluments Commission	Emoluments Commission as established in the Constitution of Zambia (Amendment) Act No. 2 of 2016.
Gratuity	A payment made to an employee in respect of a person's service on the expiry of a long-term contract of employment based on basic pay earnings that have accrued to the employee during the term of service.
Integrated Competitive Total Remuneration Strategy (ICTRS)	A framework approved by the Zambian Government for the Public Service for improving emoluments over a period of ten years from 2012 to 2021.
Job Classification and Grading	Is a systematic process of categorising and grouping positions within an organisation based on factors like responsibilities, qualifications, experience and work environment, among others.
Medium Term Pay Reform Strategy (MTPRS)	A strategy developed by the Zambian government in 2002 aimed at enhancing the capacity of the Public Service to attract, retain, and adequately motivate personnel with the requisite skills and experience to improve service delivery, quality, and accessibility.
Occupational Pension Schemes	Are employer-provided retirement savings arrangements that allow employees to contribute a portion of their earnings towards a pension fund.
Performance Management System (PMS)	It is the systematic process by which an organisation involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of its mission and goals
Public Service Pay Policy (PSPP)	A policy developed by the Government of the Republic of Zambia in 2009 and implemented in 2012 to address challenges of pay and incentives in State organs and State institutions.
Public sector	This constitutes State organs and State institutions.
Relevant authority	This means the authority responsible for recommending emoluments of a chief, State organ or State institution.
Redundancy Payment	The sum that an employee, whose employment has been terminated due to redundancy, is entitled to receive from the employer and any applicable third-party scheme.
Salary structures	Is a systematic framework established by an institution to determine the compensation levels for different jobs within the institution.

Separation Benefits	Compensation and other perks that an employer may offer to employees who are leaving the institution due to various reasons, such as layoffs, job elimination, retirement, termination of contract or voluntary resignation.
Severance Pay	Wages and benefits paid to an employee whose contract of employment is terminated in accordance with section 54 of the Employment Code Act No. 3 2019.
State institution	Includes a ministry or department of the Government, a public office, agency, institution, statutory body, commission or company in which the Government or local authority has a controlling interest, other than a State organ.
State organ	Means the Executive, Legislature or Judiciary.

8NDP - Eighth National Development Plan

AIDS - Acquired Immune Deficiency Syndrome

APAS - Annual Performance Appraisal System

ART - Antiretroviral Therapy

CEDAW - Convention on the Elimination of All Forms of Discrimination Against Women

HIV - Human immunodeficiency virus

ICTRS - Integrated Competitive Total Remuneration Strategy

LASF - Local Authorities Superannuation Fund

LFS - Labour Force Survey

MTPRS - Medium Term Pay Reform Strategy

NAPSA - National Pension Scheme Authority

PIA - Pensions and Insurance Authority

PMEC - Payroll Management and Establishment Control

PMP - Performance Management Package

PSPF - Public Service Pension Fund

PSPP - Public Service Pay Policy

SDGs - Sustainable Development Goals

TWG - Technical Working Group

ZHDS - Zambia Demographic Health Survey

ZAMPHIA - Zambia Population-based HIV/AIDS Impact Assessment

1.0 INTRODUCTION

The salaries and conditions of service for State organs and State institutions have been characterised by deep-rooted inequities, anomalies and inconsistencies as revealed by the reports of various salary reviews that have been undertaken over time. Therefore, in recognition of the importance of a more comprehensive and systematic approach to addressing the pay and incentives problem, the Government in 2002 developed a Medium Term Pay Reform Strategy (MTPRS). The primary objective of the MTPRS was to establish a fair, transparent and sustainable public sector emoluments system that attracts and retains talent, promotes equity, and enhances productivity while ensuring fiscal responsibility and alignment with national development goals.

In 2009 the Government of the Republic of Zambia developed the first-ever Public Service Pay Policy (PSPP) which was however implemented in 2012 to address challenges of pay and incentives in State organs and State institutions. It also provided for a harmonised and unified framework for determining pay while eradicating wage discrepancies across State organs and State institutions. The primary objective of the 2009 Public Service Pay Policy was to enhance the capacity of the public service, to attract, retain and adequately motivate personnel with requisite skills and experience to improve service delivery quality and accessibility in line with the objectives of the National Development Plans.

Further, as a way of implementing the measures of the Public Service Pay Policy, the Government approved the Integrated Competitive Total Remuneration Strategy (ICTRS) for the Zambian Public Service which provided the framework for improving emoluments in the public service over a period of ten years from 2012 to 2021. However, these past Government efforts could not fully yield desired results mainly due to the absence of a legally constituted independent institutional framework to govern the determination of emoluments in State organs and State Institutions in a consistent and coordinated manner.

Prior to the enactment of the Emoluments Commission Act No.1 of 2022 and operationalisation of the Emoluments Commission, the determination of emoluments in the Public Service was through non-transparent, multiple and un-coordinated negotiating points and numerous and complex pieces of legislation. The system encompassed a salary adjustment mechanism that was based on a fixed amount across various pay categories determined by collective bargaining for unionised employees. While different considerations applied for employees in management, salary increases were mainly based on negotiated positions which could be indicative of the pay adjustment for management.

In recognising the importance of a more systematic and comprehensive approach to address the pay and incentive challenges in the Public Service, the people of Zambia exercised their constitutional right and established the Emoluments Commission with the mandate to determine, on the recommendation of the relevant authority or commission, the emoluments of public officers, chiefs and members of the House of Chiefs. Further, the Republican Constitution provides for the Commission to determine emoluments of a state officer, councillor, constitution office holder and a judge.

The Public Sector Pay Policy has been prepared pursuant to section 5 (2) of the Emoluments Commission, Act No.1 of 2022. The Public Sector Pay Policy, is built on the experiences of the 2002 Medium Term Pay Reform Strategy (MTPRS), 2009 Public Service Pay Policy and the 2012 Integrated Competitive Total Remuneration Strategy (ICTRS) to address the perpetuated disparities and distortion in salaries and conditions of service in order to ensure equity, fairness and acceptable relativities, among other emoluments management system challenges in State organs and State institutions. The Policy will also enhance the capacity of State organs and State institutions to attract, retain and motivate personnel with requisite skills and experience.

The Public Sector Pay Policy is underpinned by Government's commitment to pay wages that reflect real living conditions, and seeks to address inequality and lack of uniformity of pay across different cadres and positions in State organs and State institutions. Further, the national values and principles outlined in the Constitution of Zambia (Amendment) Act No.2 of 2016 bring out the importance of attainment of vertical and horizontal equity in pay and fiscal sustainability.

The Policy has five sections as follows: Section one provides the Introduction while section two provides a critical analysis of the Situation. Section three highlights the Vision, Rationale and Guiding Principles for the Policy. Section four provides Policy Objectives and Measures. Section five provides the Implementation Framework. A separate Policy Implementation Plan has been prepared to guide the implementation, monitoring, and evaluation of the Policy.

2.0 SITUATION ANALYSIS

This chapter outlines the current status of the emoluments system and its management in the public sector.

2.1 Salaries and Conditions of Service

Salaries refer to the fixed monetary compensation paid to employees on a monthly basis in exchange for the work rendered while conditions of service refer to the terms and provisions that govern the employment relationship between an employer and the employee.

The public sector salaries and conditions of service have been characterised by disparities and distortions. Salaries and conditions of service vary extensively across the public sector as evidenced by various rationalisation and harmonisation of salaries and conditions of service reports of 2022 and 2023, in particular in regulatory and social security institutions.

The following are specific areas reflecting disparities and distortions on salaries and conditions of service:

(a) Job Classification and Grading

Job Classification and Grading is a systematic process of categorsing and grouping positions within an organisation based on factors like responsibilities, qualifications, experience and work environment, among others. The Public Service Pay Policy of 2009 aimed to eliminate distortions in the public service's emoluments system by ensuring equal pay for work of equal value. This involved comparable remuneration for personnel in similar job grades, determined through job evaluation and re-grading exercises. However, many institutions still lack a systematic approach to job classification and grading, as highlighted in the report of the Commission of Inquiry into Salaries, Salary Structures and Conditions of Service in the Public Service. The lack of a systematic approach has resulted in inconsistencies in the classification and grading of jobs across the public sector, potentially affecting staff morale.

(b) Salaries and Salary Structures

A salary structure is a systematic framework established by an institution to determine the compensation levels for different jobs within the institution, while salary refers to basic salary including allowances applicable to the post. Salaries and salary structures in the public sector are characterised by disparities and distortions. For example, in the mainstream Public Service, the levels of disparities and distortions in intergrade differences range between 2 percent and 143 percent in accordance with payroll data from the Payroll Management and Establishment Control (PMEC) system of June, 2023.

For Statutory bodies, the situation is similar. For instance, according to the reports of the rationalisation and harmonisation of salaries and conditions of service for institutions, the intergrade salary differences in the salary structures vary considerably within and across institutions with seemly similar mandates. The significance of these distortions is that there had been no fairness nor equity in remuneration and this has potential to demotivate employees.

From the same rationalisation and harmonisation reports, it has been established that there has been non-standardised application of the notching system often leading to disparities and distortions in the salary structures.

(c) Conditions of Service

Conditions of service are specific terms, rules, and regulations that govern the employment and working arrangements of employees. Currently, conditions of service in the public sector are characterised by distortions and disparities across State organs and State institutions.

To address the distortions and disparities, Government adopted a number of measures which include among others, development of the 2009 Public Service Pay Policy and the Integrated Competitive Total Remuneration Strategy (ICTRS) of 2012. Further, Government, in December, 2015 issued a Cabinet Office Circular Minute on the implementation of cost saving measures to contain the cost of running Government. In this Circular, fringe benefits, which are compensation items over and above an employee's direct wages or salaries, were reviewed. In the mainstream Public Service, conditions of service were rationalised and hormonised whereby some allowances were consolidated into basic salary while other conditions of service were abolished. Implementation of the rationalised and hormonised salaries and conditions of service was undertaken in 2013. While rationalisation and hormonisation was conducted for the mainstream Public Service, the same was not done for Statutory bodies. Despite rationalisation and harmonisation exercise not undertaken in most statutory bodies, some institutions partially implemented the conditions of service in line with the provisions of the 2009 Public Service Pay Policy. Further, these institutionsstill retained some conditions of service that should have been either consolidated into basic salary or abolished.

Further, the conditions of service have been covering medical services through health insurance schemes as well as providing funeral assistance. However, employee wellness has seen minimal consideration by the employer for introduction and support of wellness activities as part of the conditions of service.

2.2 Public Sector Emoluments Determination

Public Sector Emoluments Determination refers to the process of establishing the compensation and benefits of employees working in the public sector. According to the Constitution of Zambia (Amendment) Act No. 12 of 2016, emoluments encompass various forms of remuneration, including salaries, allowances, benefits, and rights that form an individual's remuneration for services rendered, including pension benefits or other benefits on retirement.

Prior to the enactment of Emoluments Commission Act No. 1 of 2022, the report of the Commission of Inquiry into Salaries, Salary Structures and Conditions of Service in the Public Service revealed a number of challenges, such as piecemeal approaches, multiple negotiating points and lack of transparency resulting in distortions and disparities in salaries and conditions of service due to lack of a harmonised framework to govern the determination of emoluments.

Additionally, salary adjustments in State organs and State institutions were made without considering any standardised guidelines considering retention of staff, efficient performance of the institution, level of responsibility, macroeconomic stability, affordability and sustainability of the wage bill.

While the Emoluments Commission Act No. 1 of 2022 provides for a harmonised framework in emoluments determination, the challenges have persisted.

2.3 Performance Management Systems

Performance Management System (PMS) is a systematic tool through which an organisation involves its employees, as individuals and members of a group, in improving organisational effectiveness in the accomplishment of its mission and goals. It helps in ensuring that the performance of employees is aligned with the organisation's mission, goals and objectives. Performance Management Systems improve employee morale, enhance job satisfaction and increase employee output as efficiency will be enhanced. An effective Performance Management System implementation will bring all these benefits to the institution and employees.

State organs and State institutions have been using different performance management systems. For the mainstream public service, the Government introduced the Annual Performance Appraisal System (APAS) in 1997 which was an integral part of the Performance Management Package (PMP) with the principal objective of introducing a culture of work planning and target setting in Government Ministries and other Spending Agencies. The objective of the APAS was to improve the efficiency and effectiveness of the public service in the performance of its functions and put in place an effective personnel appraisal instrument in making vital personnel decisions. Therefore, the implementation of a comprehensive performance appraisal system that evaluates individual and organisation performance based on pre-defined goals and targets has been a basis for determining pay adjustments or bonuses.

The performance management in the public sector has been fragmented and not focused on linking pay to performance and productivity. A performance contracting system has been common in State organs and State institutions, especially for Permanent Secretaries and Chief Executive Officers but there has been no effective implementation in most of the institutions in the public sector, except only when one is due for confirmation and promotion.

2.4 Legal Framework to Support Emoluments Management

The following are the main pieces of legislation that have provisions for emoluments management:

(a) The Constitution, Chapter 1 of the Laws of Zambia;
(b) The Companies Act No. 10 of 2017;
(c) The Emoluments Commission Act, No. 1 of 2022;
(d) The Employment Code Act, No. 3 of 2019;
(e) The Industrial and Labour Relations Act, Chapter 269 of the Laws of Zambia;
(f) The National Health Insurance Act, No. 2 of 2018;
(g) The Workers' Compensation Act, No. 10 of 1999;
(h) The National Pension Scheme Act, Chapter 256 of the Laws of Zambia;
(i) The Pension Scheme Regulation Act, Chapter 255 of the Laws of Zambia;
(j) The Public Finance Management Act No. 1 of 2018;
(k) The Public Service Pensions Act, Chapter 260 of the Laws of Zambia; and
(l) The Local Authorities Superannuation Fund Act, Chapter 284 of the Laws of Zambia.

In addition to the aforementioned legislation, some institutions have aligned their legal frameworks to support the determination of emoluments by the Emoluments Commission. These Acts include the Examinations Council of Zambia Act, 2023 (Act No. 3 of 2023), the Rural Electrification Act, 2023 (Act No. 5 of 2023), the Securities Act, 2016 (Act No. 41 of 2016), the Zambia Development Agency Act, 2022 (Act No. 17 of 2022), and the Bank of Zambia Act, 2022 (Act No. 5 of 2022) among others.

2.5 Separation Benefits

Separation benefits are compensation that an employer shall offer to employees who are leaving the institution due to various reasons, such as layoffs, job elimination, retirement, termination of contract or voluntary resignation. These benefits are typically designed to provide financial support and a smoother transition for employees as they exit the organization.

Some forms of separation benefits apart from a pension and gratuity are redundancy package, severance pay, repatriation allowance and terminal leave benefits.

(a) Pension Benefit

The Constitution of Zambia (Amendment) Act No. 2 of 2016 defines a pension benefit to include a pension, compensation, gratuity or a similar allowance in respect of the persons' service. Article 188 (1) of the Constitution requires that a pension benefit shall be reviewed periodically to take into account actuarial assessments.

There are currently four (4) pieces of legislation that govern the establishment of pensions schemes in Zambia as follows: Public Service Pension Act Cap 260 of the Laws of Zambia, National Pension Scheme Act Cap 256 of the Laws of Zambia, Local Authorities Superannuation Fund Act, Cap 284 of the Laws of Zambia and Pensions Scheme Regulation Act Cap 255 of the laws of Zambia.

The Public Service Pension Act, Cap 260 of the Laws of Zambia was enacted to consolidate the law relating to pensions and other benefits to persons employed in the public service. Membership is two-fold, those who were members before the law was enacted in 1996 and those who became members after 1996.

The three pension schemes mentioned above have varying contributions and benefits structures. The contributions for PSPF are at fourteen-point five percent (14.5%) of the basic salary, seven point-two, five percent (7.25%) by the employer and seven point-two, five percent (7.25%) by the employee. Contributions under NAPSA are at ten percent (10%) of the gross salary, five percent (5%) employer and five percent (5%) employee however, there is a ceiling Contributions under LASF of thirty-three percent (33%) with the employer contributing twenty-three percent (23%) and the employee contributing the remaining ten percent (10%) of basic salary.

The challenges with regards pensions are:

(i) Huge obligation on the treasury to meet pension gap between contributions and benefits for defined schemes;

(ii) Low income replacement ratio;

(iii) No policy to compel enhanced social protection through second-tier pension coverage; and

(iv) Non-standardisation of pension contributions and pension benefits.

(b) Occupational Pension Scheme

Occupational pension schemes are employer-provided retirement savings arrangements that allow employees to contribute a portion of their earnings towards a pension fund. These schemes are typically governed by a trust or a pension fund management entity. The contributions made by both the employer and the employee are invested over time to generate returns and build a pension fund.

For many years, officers in the mainstream Public Service have had no occupational pension schemes to which they belong and contribute. The officers are mandated to be members of the

PSPF, NAPSA and LASF depending on when one started work in the Public Service and whether one is employed under the Local Authorities, the Defence and Security wings of Government.

Most State institutions have occupational pension schemes regulated by the Pensions and Insurance Authority (PIA), whose mandate is drawn from the Pension Scheme Regulation Act No 28 of 1996. While the law provides for the creation of occupational pension schemes, officers in the mainstream service haveremained with one (1) mandatory pension scheme for so many years as opposed to officers in the State-owned organs and quasi-government institutions.

The situation where some public officers only contribute to one scheme while others have multiple schemes poses a challenge of unfairness. In this instance, the employer contributes to more than one pension scheme for employees and on separation from employment, employees are entitled to enhanced benefits from the multiple pension schemes. In the case of employees who only have one pension scheme, the employer's contributions are limited and consequently the benefits are less.

For institutions that have occupational pension schemes, management of the schemes varies in that some are contributory by both the employer and the employees at different rates while others are non-contributory and are fully funded by the employer. Further, some institutions have defined contribution schemes while others have defined benefit schemes. A defined benefit plan guarantees a specific payout at retirement, usually based on factors such as the employee's salary, years of service and age. While a defined contribution plan provides a retirement benefit that depends on the contributions made and the investment performance of those contributions.

(c) Gratuity

According to the Employment Code Act No. 3 2019, gratuity is a payment made to an employee in respect of a person's service on the expiry of a long-term contract of employment based on basic pay earnings that have accrued to the employee during the term of service and shall be paid at a rate of not less thantwenty- five percent (25%) of the employee's basic pay earned during the contract period. In the event that the employee dies or the contract is terminated, the employee shall be paid gratuity prorated in accordance with the period of employment or on a pro-rata basis.

In the mainstream Public Service, there are variations in the payment of gratuity for constitutional office holders, for instance, some officers at the level of Permanent Secretary and above are paid gratuity at the rate of hundred percent (100%) of total emoluments, tax-free while others at 100% of basic salary. For officers below the level of Permanent Secretary, gratuity is at the rate of hundred percent (100%) of the basic salary, tax-free. For both instances, when an officer dies or the contract is terminated, gratuity is paid on a pro-rata basis.

Payment of gratuity varies in quasi-government institutions. Their gratuities in some cases vary from twenty-five percent (25%) to hundred percent (100%) of basic salary or total emoluments for the contract period.

The non-uniform application in the payment of gratuity in the public sector has led to unfairness and inconsistency in the administration and payment of gratuity across the public sector.

(d) Redundancy Payment

According to the Employment Code Act No. 3 2019, Redundancy Payment means the sum that an employee, whose employment has been terminated due to redundancy, is entitled to receive from the employer and any applicable third-party scheme.

Section 55 of the Employment Code Act No. 3 2019 states that unless better terms are agreed between the employer and the employee concerned or the employee's representatives, redundancy package shall be a minimum of two (2) months' pay for every year served and other benefits the employee is entitled to as compensation for loss of employment.

The Act also states that where the redundancy payment is not paid on the last day of the employee, the employer shall continue to pay the employee full wages until the redundancy package is paid. Further, where the employer is unable to pay the redundancy payment as a lumpsum, the employer shall propose payment plan specifying the proposed instalments of the redundancy payment and dates of payment, that shall be approved by the Labour Commissioner.

In an event that the Labour Commissioner considers that the employer's proposed payment plan is not reasonable, he or she shall propose an alternative payment plan. However, most institutions do not adhere to this arrangement.

While the Employment Code Act provides the minimum benefits to be paid in the case of redundancy, institutions have enhanced the formula for payment of redundancy, in some cases to unsustainable levels, using different formulae resulting in distortions on redundancy benefits across the public Sector.

(e) Severance Pay

According to Section 3 of the Employment Code Act No. 3 of 2019, Severance Pay means the wages and benefits paid to an employee whose contract of employment is terminated in accordance with section 54 of the Act. Employment Code Act, 2019, provides severance pay at a rate of two (2) months basic pay per each year served. The payment of severance pay shall not be paid to casual employee, temporary employee, an employee engaged on a long-term contract or an employee serving a period of probation.

The application ofseverance pay in State organs and State institutions vary and in most cases is extended to employees who are not eligible in accordance with the provisions of the employment code Act. Some State institutions provide for severance pay at the statutory minimum while others provide enhanced provisions.

2.6 Cross-Cutting Issues

The determination of fair and equitable emoluments in the public sector is influenced by various cross-cutting issues, such as gender, HIV and AIDS and disability. These issues have the potential to impact how remunerations are structured across the public sector.

(a) Gender

According to the 2022 Census of Population and Housing, Zambia's population stands at 19,610,769 out of which 10,007,713 were female while 9,603,056 were male. This translates to 51.0 percent for female and 49.0 percent male. Zambia improved its ranking among countries with high levels of gender inequalities from 167 in 2011 to 154 in 2022 out of 189 countries in the world due to enhanced women empowerment programmes and reproductive health services. This is evidenced by the 2022 Gender Inequality Index (GII) of 0.540 from 0.627 in 2011.

Gender disparities in compensation that are embedded in the traditional gender roles and stereotypes in the Zambian society, often lead to unequal pay for equal work, with women frequently earning less than their male counterparts. The Labour Force Survey (LFS) of 2020 revealed that, in the tourism sector, women have been concentrated in the lowest-paid category and lowest-skilled jobs in the industry.

The Government has made significant strides in addressing gender disparities in compensation within the public sector. The country has established legal frameworks and policies aimed at promoting gender equality and equitable compensation. These efforts are in line with international commitments, such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

The Gender Equity and Equality Act of 2015 plays a central role in addressing gender disparities, including those related to compensation, within the public sector. This legislation prohibits gender-based discrimination in employment, remuneration, and career advancement. Furthermore, gender-responsive budgeting has been introduced to ensure that government budgets consider the differential impacts of policies and programs on women and men.

(b) HIV and AIDS

Zambia has an estimated adult (15 years and older) HIV prevalence of 11% (ZAMPHIA 2021). HIV prevalence is higher in the urban areas at 15.9% compared with rural areas at 7.1% (ZDHS 2018). HIV incidence is estimated at 0.31% among adults (ZAMPHIA 2021). HIV prevalence is lowest among those aged 15-19 and peaks among those aged 40-44 for both males and females (ZDHS 2018). As of 2023, an estimated 1.4 million people are living with HIV in Zambia, with about 87% of them (approximately 1.23 million) receiving antiretroviral therapy (ART).

Like many other countries, Zambia has faced significant challenges related to HIV/AIDS. Historically, the HIV/AIDS pandemic posed a grave threat to the workforce, leading to increased absenteeism, disability, and mortality among public sector employees. The epidemic exacerbated existing vulnerabilities within the workforce.

In recent years, Zambia has made substantial progress in addressing HIV/AIDS within the public sector and its emoluments management framework. The Government has implemented various policies and programs to combat the epidemic, including widespread access to antiretroviral therapy (ART) and comprehensive HIV prevention efforts. The public sector has adopted a more inclusive and supportive approach, ensuring that employees living with HIV/AIDS receive equitable compensation and access to health care services. Initiatives like workplace HIV testing and counseling have been introduced to promote early detection and treatment.

(c) Disability

Historically, Zambia, like many countries, face challenges in addressing disability within the framework of compensation in the public sector. Individuals with disabilities often encountered discrimination and limited employment opportunities. Prior to the enactment of comprehensive disability laws and policies, there was a lack of formalised mechanisms to ensure fair and equitable compensation for public sector employees with disabilities.

In recent years, Zambia has taken significant steps to improve the management of compensation for individuals with disabilities in the public sector. The passage of the Persons with Disabilities Act in 2012 marked a pivotal moment, providing a legal framework for protecting the rights and promoting the welfare of people with disabilities in the country. Under this legislation, there is a commitment to ensuring equal pay for equal work, which extends to the public sector. Public sector employers are increasingly focused on providing reasonable accommodations to employees with disabilities, facilitating their full and effective participation in the workforce. Initiatives aimed at fostering inclusivity, such as diversity hiring programs and accessible workplaces, have gained traction.

Despite these positive developments, Zambia faces several challenges in fully implementing an equitable compensation framework for individuals with disabilities in the public sector. Stigma and societal biases can still hinder the recruitment and career progression of employees with disabilities. Accessibility remains a significant issue, with many public sector facilities and digital platforms lacking adequate accommodation. Resource constraints, including limited funding for accommodation and support services, pose challenges to implementation. Additionally, disparities in disability benefits and allowances may persist, affecting the financial stability of public sector employees with disabilities. Continuous advocacy, awareness campaigns, and policy refinements are vital to addressing these challenges and ensuring that the compensation management framework in Zambia's public sector aligns with principles of inclusivity and equal opportunity for individuals with disabilities.

3.0 VISION, RATIONALE AND GUIDING PRINCIPLES

3.1 Vision

"Fair, equitable and sustainable remuneration in the public sector."

3.2 Rationale

The Government developed the first- ever Public Service Pay Policy (PSPP) in 2009 to address challenges of pay and incentives in State organs and State institutions. It also provided for a harmonised and unified framework for determining pay while eradicating wage discrepancies across State organs and State institutions. The primary objective of the 2009 Public Service Pay Policy was to enhance the capacity of the public service, to attract, retain and adequately motivate personnel with requisite skills and experience to improve service delivery quality and accessibility in line with the objectives of the National Development Plans.

Further, as a way of implementing the measures of the Public Service Pay Policy, the Government approved the Integrated Competitive Total Remuneration Strategy (ICTRS) for the Zambian Public Service which provided the framework for improving emoluments in the public service over a period of ten years from 2012 to 2021. However, these past Government efforts could not fully yield desired results mainly due to the absence of a legally constituted independent institutional framework to govern the determination of emoluments in State organs and State Institutions in a consistent and coordinated manner.

The formulation of this Policy was necessitated by changes in the operating environment which includes the institutional arrangement and the subsequent enactment of the Emoluments Commission Act, 2022 and operationalisation of the Emoluments Commission. There has also been need to align the Policy with the Emoluments Commission Act, 2022 and other pieces of legislation, the Eighth National Development Plan (8NDP), Sustainable Development Goals (SDGs), Agenda 2063 and emerging trends regarding remuneration management, among others.

Therefore, the Revised Pay Policy will provide a harmonised framework to govern the determination and management of emoluments for chiefs and officers in a State organ and State institution; enhance the capacity of a State organ and State institution to attract, retain and motivate officers and staff with requisite qualifications, skills and experience in order to improve service delivery.

The Policy will not only serve the interests of employees in State organs, State institutions and house of chiefs, but also the general public at large by improving service delivery in the public sector.

3.3 Guiding Principles

The Policy and its implementation will be based on the following overarching guiding principles:

(a) Retention

Retention of officers in a State organ and State institution with the requisite qualifications and skills for improved service delivery.

(b) Efficient performance

This entails the determination of emoluments that support efficient operational and financial performance in a State organ and State institution.

(c) Level of responsibility

The need for emoluments that reflect the level of responsibility of a chief or an officer in a State organ or State institution.

(d) Macroeconomic stability

Contribution towards enhancement and maintenance of macroeconomic stability in the country.

(e) Affordability and sustainability

Determine emoluments in the public sector in a systematic, affordable and sustainable manner, while maintaining an appropriate and sustainable public sector wage bill.

4.0 POLICY OBJECTIVES AND MEASURES

The Policy objectives and measures highlighted in this Chapter are designed to provide a holistic mechanism to enhance the capacity of State organs and State institutions to attract, retain and motivate officers and staff with requisite qualifications, skills and experience for improved public service efficiency and quality of service delivery.

4.1 General Objective

The overarching objective of the policy is to have a harmonised and unified framework for determining emoluments in a sustainable manner while eradicating pay disparities, inequalities, anomalies and inconsistencies in all State organs and State institutions.

4.2 Specific Objectives

In order to achieve the vision of the Policy, the following are the specific objectives:

(a) To improve fairness and equity in salaries and conditions of service;

(b) To strengthen mechanisms for determining emoluments;

(c) To improve performance management systems;

(d) To improve the management of separation benefits; and

(e) To mainstream Gender, HIV/AIDS and Disability in emoluments Management.

Objective 1: To improve fairness and equity in salaries and conditions of service.

Measures:

(a) Undertake a 2-year review cycle of emoluments;

(b) Rationalise and harmonise salaries and conditions of service within and across State organs and State institutions; and

(c) Coordinate the undertaking of job analysis and job evaluation.

Objective 2: To strengthen mechanisms for determining emoluments.

Measures:

(a) Develop and operationalise a framework for the determination of emoluments;

(b) Forecast public sector emoluments;

(c) Benchmark tools and systems in emoluments determination on best practices;

(d) Develop and review tools for rationalisation and harmonisation;

(e) Develop and review tools for undertaking job evaluation and re-grading exercise;

(f) Undertake sensitisation on the operations of the Emoluments Commission;

(g) Issue guidelines to relevant authorities on the parameters of emoluments; and

(h) Monitor and evaluate adherence to pay policy, guidelines and standards.

Objective 3: To improve performance management systems.

Measures:

(a) Develop and enhance performance management systems that link pay to performance; and

(b) Promote the use of technology and automation in performance management systems.

Objective 4: To improve the management of separation benefits.

Measures:

(a) Develop a strategy to reform pension schemes;

(b) Rationalise and harmonise payment of gratuity;

(c) Rationalise and harmonise payment of Redundancy Packages; and

(d) Rationalise and harmonise payment of severance package.

Objective 5: To mainstream Gender, HIV and AIDS and Disability in emoluments management.

Measures:

(a) Promote gender equality, equity, and inclusivity;

(b) Strengthen implementation of HIV/AIDS Workplace Policy; and

(c) Promote disability advocacy, awareness campaigns, and policy refinements.

5.0 IMPLEMENTATION FRAMEWORK

To realise the Policy objectives outlined in chapter four (4) , the Government has put in place an implementation framework. The Emoluments Commission will collaborate with line Ministries and stakeholders in the implementation of the Public Sector Pay Policy.

5.1 Institutional Arrangements

The Emoluments Commission will be responsible for coordinating and playing a leading role to ensure the effective implementation of the Public Sector Pay Policy. It will also provide Policy direction and technical support on the implementation of the Policy. The Commission will collaborate with key line Ministries and other institutions in line with their mandates.

5.2 Stakeholders and their Roles

The objective of the Public Sector Pay Policy will be achieved through active participation of different stakeholders. Thus, vertical and horizontal coordination among the key players in emoluments system management is essential for the successful implementation of the Public Sector Pay Policy. Therefore, the Emoluments Commission will ensure the effective participation of all stakeholders at all levels. The roles of stakeholders will be as follows:

5.3 Line Ministries and other Institutions

S/N	INSTITUTION	RESPONSIBILITY
1.	**Cabinet Office**	Provide oversight on the implementation of the Policy
2.	**Ministry of Finance and National Planning**	Facilitate and provide timely financial resources and relavate economic statistics to enable the successful implementation of the Policy
3.	**Ministry of Justice**	Drafting of legislation related to emoluments
4.	**Ministry of Labour and Social Security**	Collaborate on social security, productivity and labour market matters
5.	**Relevant Authorities**	Recommend and implement salaries and conditions of service
6.	**Pension Houses**	Collaborate on pension reforms
7.	**Cooperating Partners (CPs)**	Provision of financial and technical support in emoluments management.
8.	**Zambia Congress of Trade Unions**	❖ To promote harmonious industrial relations ❖ Promote pay equity; ❖ Supporting pay transparency; and ❖ Disseminate information related to emoluments
9.	**Federation of Free Trade Unions of Zambia**	❖ Promote pay equity ; ❖ Supporting pay transparency ; and ❖ Disseminate information related to emoluments
10.	**Media Houses**	Facilitate the dissemination of information relating to emoluments

5.4 Legal Framework

The implementation of the Policy will leverage on the Constitution of Zambia (Amendment) Act No. 2 of 2016 and Emoluments Commission Act No.1 of 2022 which have a direct bearing on emoluments management in the public sector. The determination of emoluments for officers in a State organ and State institution was introduced under the Constitution of Zambia (Amendment) Act, 2016 under Articles 232 and 264. The Emoluments Commission Act, 2022 established an enabling legal framework for the implementation of the policy, addressing the needs and challenges in emoluments management in the public sector.

5.5 Resource Mobilisation and Financing

The successful implementation of the Public Sector Pay Policy shall be dependent on the availability of adequate financial resources and prevailing economic conditions. Therefore, a multi-sectoral approach to financing the implementation of the policy will be required. In this regard, financing for the implementation of the Policy will be secured from the following sources:

i. Government National Budget;
ii. Bilateral and multilateral financing sources; and
iii. Other alternative funding sources.

5.6 Monitoring and Evaluation

To effectively monitor and evaluate the implementation of the Public Sector Pay Policy, a comprehensive Monitoring and Evaluation (M&E) framework shall be developed. The framework will emphasise ongoing monitoring and periodic in-depth evaluation of the policy to ensure that the expected outputs, outcomes and impact are achieved. The Emoluments Commission shall be responsible for the coordination and oversight of all aspects of policy implementation monitoring and evaluation.

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