



**CLIFFORD ODHIAMBO
& COMPANY ADVOCATES**

**LEGAL ALERT: THE EFFECTS OF THE
UNIVERSAL HEALTH COVERAGE
ACTS ON EMPLOYERS**



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Our excellency President William Ruto recently signed into the Social Health Insurance Act.

The Act establishes a Social Health Insurance Fund. The Fund is established, funded by contributions under the Act, appropriations by the National Assembly for indigent and vulnerable persons, and gifts, grants, innovative financing mechanisms, or donations.

Every Kenyan, as well as non-Kenyans ordinarily residing in Kenya, including children born after the Act's commencement, shall register as members of the Social Health Insurance Fund. Registration will be continuous at various points as prescribed by the Cabinet Secretary. Proof of compliance is required for accessing public services.

Liability to contribute to the Fund extends to every Kenyan household, non-Kenyan residents, the national government, county government, and other employers. Contributions are made through statutory deductions, annual contributions based on household income, government assistance for qualifying households, government payment for persons under lawful custody, and self-payment for permanent residents and others.

Contributions are to be paid at the time of registration, with non-Kenyan residents making annual payments. Access to healthcare services under the Act is contingent on up-to-date and active contributions. Premium financing products are provided for non-salaried individuals.

Failure to pay contributions on time incurs a penalty equal to two percent of the unpaid amount, and a person must settle all outstanding contributions and penalties before resuming access to healthcare services under the Act.

This fund replaces the NHIF which will be wound up on 19th October 2024. Employers will now be required to make annual contributions to this new fund to enable their employees, both Kenyans and non-Kenyans, to access healthcare in the country.

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