

PART IV
AMENDMENT OF THE HIGHER EDUCATION STUDENTS' LOANS
BOARD ACT,
(CAP. 178)

Construction
Cap. 178

16. This Part shall be read as one with the Higher Education Students' Loans Board Act, hereinafter referred to as the "principal Act".

Amendment of
section 5

17. The principal Act is amended in section 5,
by-

(a) deleting subsections (1) and (2) and substituting for them the following:

“(1) The Board shall consist of a Chairman who shall be appointed by the President and eight other members to be appointed by the Minister as follows:

- (a) one member representing the Ministry responsible for higher education;
- (b) a member from the Treasury;
- (c) a Law Officer representing the Attorney General;
- (d) a member representing the Ministry responsible for finance in the Revolutionary Government of Zanzibar;
- (e) one member representing the National Council for Technical Education;
- (f) one member representing the Ministry responsible for higher education in the Revolutionary Government of Zanzibar;

- (g) one representative from umbrella students' association of higher learning institutions; and
- (h) one member representing the Tanzania Commission for Universities."

(2) The Minister shall, in appointing members of the Board, have regard to gender balance."

"Amendment of section 19

18. The principal Act is amended in section 19, by deleting subsections (3),(4),(5),(6) and (7) and substituting for them the following:

"(3) Repayment of loan shall become due after completion of studies in respect of which the loan was granted or where studies are terminated for any reason:

Provided that, the beneficiary shall be obliged to commence repayment of loan after the period of two years upon completion or termination of his studies.

(4) Without prejudice to subsection (3), the beneficiary may commence repayment of loan at any time immediately after completion or termination of his studies.

(5) The Minister may make regulations prescribing the period and the manner of repayment of loans under this section.

(6) A beneficiary who secures employment shall:

- (a) have the duty to notify the employer that he is a loan beneficiary;
- (b) ensure that arrangement is made with the employer for deduction of monthly

installment that shall include the principal, any fees, charges or penalties from the salary of the beneficiary;

- (c) ensure that payments of monthly deduction by the employer are remitted to the Board from the date such remittance is due and that the loan deduction schedule bear the name of the beneficiary, loan number, employment number or cheque number or any other identity of the beneficiary as may be required;
- (d) inform the Board in writing of:
 - (i) employer's name, address, telephone number and other necessary details;
 - (ii) any change of names;
 - (iii) the current address of the beneficiary and any subsequent changes of address; and
 - (iv) anything that may be prescribed by the Board in accordance with this Act.

(7) A beneficiary who engages in self-employment, any trade, occupation or a profession shall:

- (a) arrange with the Board about the amount or installments and period during which the beneficiary shall make remittance to the Board;
- (b) ensure that the remittance of monthly installment is made to the Board bearing the correct name, address and the loan number;
- (c) inform the Board of the:

- (i) current postal and physical address;
 - (ii) occupational and residential addresses;
 - (iii) telephone numbers; and
 - (iv) any subsequent changes of such particulars;
- (d) comply with any other requirement as may be prescribed by the Board under this Act.

(8) For the purpose of subsection (5)(a), the amount payable by a self-employed beneficiary on monthly basis shall not be less than one hundred thousand shillings or ten percent of the taxable income, whichever amount is greater.

(9) Subsection (4) shall apply *mutatis mutandis* to any beneficiary who is under employment of a foreign government, an international organisation, a company, an agency or an association of any description.

(10) For the purposes of subsection (7), the expression:

- (a) "foreign government" includes an Embassy, a High Commission, or a resident representative of a foreign government;
- (b) "foreign company, agency or association" includes any company, agency or association not incorporated and or registered in Tanzania law; and
- (c) "international organisation" includes organisations within the United Nations Organisation."

Repeal of
sections 20 and
21

19. The principal Act is amended by repealing sections 20 and 21 and replacing them with the following:

**Obligation
of employer

20.-(1) For the purpose of identifying beneficiaries under this Act, every employer shall-

- (a) notify the Board on employment of any person who is a holder of degree or diploma, within twenty eight days from the date on which such person is employed;
- (b) upon confirmation from the Board that the person named in the notification is a loan beneficiary, deduct monthly installments of not less than fifteen percent of basic salary, wages or remuneration of the beneficiary, as the case may be;
- (c) treat deduction as statutory and make such deductions as first charge over non statutory deductions; and
- (d) inform the Board in writing of the status and rank of employment and any subsequent changes in the name, address, occupation and salary of the person who is a beneficiary.

(2) The employer shall remit every deduction from the beneficiary's salary, wages or remuneration to the Board within fifteen days after the end of each

month.

(3) The Board or its agent shall, after notifying the employer, have power to inspect any relevant record of the employer for searching the beneficiaries' information.

(4) Where an employer fails without reasonable excuse to notify the Board that he has, in his employment a beneficiary within a specified period, that employer commits an offence and shall, on conviction be liable to a fine of not less than one million shillings."

Failure of
employer to
make
deductions or
remittance

21.-(1) Where the employer fails to deduct or after making deduction from a beneficiary fails to remit such deductions to the Board within the prescribed period, the Board shall charge a sum of equal to ten percent of the total amount of the loan amount which is due for repayment for each month during which the repayment remains unremitted.

(2) Where the employer fails to remit monthly installments after deducting and is otherwise unable to pay the charge imposed under subsection (1), commits an offence and is liable on conviction to a fine of not less than the amount unremitted or to imprisonment for a term of not less

than thirty six months.

(3) Notwithstanding any other law to the contrary, where an employer is a body corporate, the chief executive officer or any other accountable officer of such body shall be personally liable for the penalty.

(4) Any person who obstructs an employee of the Board or its appointed agent from doing any act authorized by this Act, commits an offence and is liable on conviction, to a fine of not less than seven million shillings or to imprisonment for a term of not less than twelve months or both."

Amendment of
the Schedule

20. The principal Act is amended in paragraph 4 of the Schedule by inserting immediately after subparagraph (6) the following:

"(7) The Board may co-opt any person to assist the Board on deliberation of any issue or matter that requires the person's skills, expertise or advice, but the co-opted person shall have no right to vote in any meeting of the Board."

PART V
AMENDMENT OF THE PUBLIC SERVICE ACT,
(CAP. 298)

Construction
Cap. 298

21. This Part shall be read as one with the Public Service Act, hereinafter referred to as the "principal Act".