FREE GUIDE



Ethiopia

Pension & employment injury checklist

3 chapters · every source listed

Tulinde

tulinde.africa · independent guide, not an insurer

Tulinde — independent guide, not an insurer

Pension and employment injury: the private employee's checklist

For private-sector employees and employers in Ethiopia: the pension contributions, the pension they lead to, the employment injury benefit and the employer's duties after a work accident.

This guide puts together 3 pages of Tulinde Ethiopia (tulinde.africa), word for word. Each chapter states the date it was last reviewed; the 4 sources are listed at the end. Compiled on 28 October 2026. Laws, prices and rules change: check the online version of each chapter (its address is under its title) before you rely on it.

Contents

1. **Ethiopia pension calculator: private-sector contributions (7% + 11%) and your pension** — reviewed 28 October 2026
2. **Employment injury benefit calculator: what Ethiopia's private pension scheme pays after a work injury** — reviewed 28 October 2026
3. **Employment injury and business insurance in Ethiopia** — reviewed 28 October 2026
4. **Sources**

> Tulinde is an information and introduction service run by Takat AI. It is not an insurer, a broker or an agent, and it does not sell, price, rank or rate policies. Always read the policy wording before you buy.

Chapter 1

Ethiopia pension calculator: private-sector contributions (7% + 11%) and your pension

Reviewed 28 October 2026 · online: https://tulinde.africa/et/pension-calculator/

Short answer Checked 28 October 2026

In Ethiopia's private sector, the pension contribution is **18% of the gross salary**: **7% deducted from the employee** and **11% paid by the employer** (Proclamation No. 1268/2022, Art. 10). On a salary of ETB 15,000, that is ETB 1,050 from you and ETB 1,650 from the employer each month. After **at least 10 years of service**, the pension from age **60** is **30% of the average salary of the last three years, plus 1.25% for each year beyond 10, up to 70%** (Art. 20). Under 10 years, a one-off gratuity is paid instead.

The rules the calculator uses

All figures come from the Private Organization Employees' Pension Proclamation No. 1268/2022, in force since its publication on 18 March 2022:

Article	Rule
Art. 2(7)	"Salary" is the monthly salary for regular working hours, before income tax or any other deduction.
Art. 10	Contributions on that salary: employer 11%, employee 7%.
Art. 12	The employer deducts your share, adds its own and pays both to the fund within 30 days of the end of the month the salary is paid.
Art. 18(1)	Retirement age: 60, by the date of birth registered when you were first employed.
Art. 19	At least 10 years of service: retirement pension for life. Leaving after 25 years or more: the pension can start five years before retirement age.
Art. 20(1) and (4)	Pension = 30% of the average salary of the last 3 years + 1.25% per year of service beyond 10, never more than 70% of that average.
Arts. 21–22	Less than 10 years at retirement age: a gratuity of 1.25 months' salary for each year of service.

Worked example

Hana earns a gross salary of ETB 15,000 a month in a private company.

- Her employer deducts 7%: **ETB 1,050** a month, and adds 11%: **ETB 1,650**. ETB 2,700 a month goes to the pension fund in her name.
- If she reaches 60 with 20 years of service and an average salary of ETB 15,000 over her last three years, her rate is 30% + 1.25% × 10 = 42.5%: a pension of **ETB 6,375 a month**, for life.
- With 42 years of service the rate reaches the 70% cap (30% + 1.25% × 32).
- If she had only 8 years of service at 60, she would receive a gratuity of 15,000 × 1.25 × 8 = **ETB 150,000**, once.

> Large salary rises in the last three years are capped at 25% a year when the average is worked out (Art. 20(2)). The pension fund applies this from its records, so the calculator lets you enter the average yourself.

Who this applies to

Proclamation 1268/2022 covers employees of private organizations. Civil servants, the military and the police have their own pension law, with different rules, so the calculator does not apply to them. If you are injured at work, the same Proclamation pays an incapacity benefit: see the employment injury benefit calculator.

Frequently asked questions

How much pension is deducted from my salary in Ethiopia?

In a private organization, 7% of your gross monthly salary. Your employer adds 11% of its own, so 18% in total goes to the pension fund (Proclamation 1268/2022, Art. 10).

How is the pension calculated in Ethiopia?

After at least 10 years of service, the pension is 30% of your average monthly salary over the last three years, plus 1.25% for each year of service beyond 10, up to 70% of that average (Art. 20).

What happens if I worked less than 10 years?

At retirement age you receive a one-off gratuity: your monthly salary × 1.25 × the number of years of service (Arts. 21–22), instead of a monthly pension.

At what age can I get my pension in Ethiopia?

At 60 (Art. 18). An employee who leaves after at least 25 years of service, other than on disciplinary grounds, can draw the pension five years earlier (Art. 19(2) and (3)).

Chapter 2

Employment injury benefit calculator: what Ethiopia's private pension scheme pays after a work injury

Reviewed 28 October 2026 · online: https://tulinde.africa/et/employment-injury-benefit-calculator/

Short answer Checked 28 October 2026

Under **Proclamation No. 1268/2022**, a private-sector employee with an **employment injury of 10% or more** is paid by the pension scheme. If the injury **prevents any paid work**, the **incapacity pension is 47% of the salary of the month before the injury**, for life (Art. 36). If you **can still work**, a **one-off gratuity** of **47% × monthly salary × 60 × the degree of injury** is paid (Art. 38). On a salary of ETB 12,000 and a 30% injury, that is ETB 101,520.

The rules the calculator uses

From Part Seven of the Private Organization Employees' Pension Proclamation No. 1268/2022:

Article	Rule
Art. 27	An employment injury is an occupational accident or an occupational disease.
Art. 28	A self-inflicted injury is excluded — including ignoring the employer's safety instructions or working drunk.
Art. 32	The employer notifies the injury in writing to the pension administration within 30 days, or becomes liable for it.
Art. 33	An authorised medical board assesses the degree of injury.
Arts. 35–36	Injury of at least 10% and permanent incapacity for any paid work: pension for life of 47% of the salary of the month before the injury, or the retirement pension if that is higher.
Arts. 37–38	Injury of at least 10% without loss of capacity to work: a lump sum of 47% of that monthly salary × 60 × the degree of injury — unless the employer or an insurer already compensates the injury under another law or agreement.

Worked example

- Selam earned ETB 12,000 in the month before a workshop accident. The medical board assesses her injury at 30%, and she can keep working.
- Gratuity: 12,000 × 47% = 5,640; × 60 = 338,400; × 30% = **ETB 101,520**, paid once.
- Had the accident left her unable to do any paid work, she would instead receive **ETB 5,640 a month** for life (12,000 × 47%), or her retirement pension if higher.

> A worker who is not in the private pension scheme is covered by the employer's liability under the Labour Proclamation: see employment injury and business insurance.

Frequently asked questions

How much compensation for a work injury in Ethiopia?

For a private-sector employee in the pension scheme with an injury of at least 10%: 47% of the last monthly salary as a pension for life if you can no longer do any paid work, or a lump sum of 47% × salary × 60 × the degree of injury if you can (Proclamation 1268/2022, Arts. 36 and 38).

Who decides the percentage of injury?

An authorised medical board, using the schedule of degrees of incapacity issued by the pension administration (Arts. 29 and 33).

Does an injury under 10% give a benefit?

Not from the pension scheme: its incapacity benefits start at 10% (Art. 34).

Chapter 3

Employment injury and business insurance in Ethiopia

Reviewed 28 October 2026 · online: https://tulinde.africa/et/business-insurance/

Short answer Checked 28 October 2026

Under **Labour Proclamation 1156/2019**, an Ethiopian employer is liable for employment injuries **regardless of fault** (Art. 96). For a worker outside the pension scheme, permanent total disablement is paid at **five times annual wages** (Art. 109), and death at **five times annual salary** to dependants, plus funeral costs of at least **two months' wages** (Art. 110). Insurance lets a business carry that risk.

What the Labour Proclamation says

From the Labour Proclamation No. 1156/2019:

Article	Rule
96	The employer is liable for employment injuries irrespective of fault, except self-inflicted ones (ignoring express safety instructions counts as self-inflicted).
109	Permanent total disablement: at least 5 times annual wages, as a lump sum, for workers outside pension law; proportionate for partial disablement. Insurance benefits may never be lower.
110	Death: 5 times annual salary to dependants (50% to the widow or widower); funeral costs of at least two months' wages.
171(i)	The Ministry determines which undertakings must arrange insurance for employment injury benefits.

Covers businesses usually consider

- **Workmen's compensation / employer's liability** — pays the Labour Proclamation benefits.

- Fire and allied perils for premises and stock.
- Motor fleet — third-party cover is compulsory for every vehicle.
- Public liability, goods in transit, money and burglary.

All 18 insurers write general business; see the list. If a claim is disputed, the insurer must answer a complaint within 10 business days before you escalate to the NBE (FCP/01/2020).

Employers and social health insurance

A separate duty applies to health cover. Under the Social Health Insurance Proclamation No. 690/2010, an **employer** — a public office, a public enterprise or anyone employing **at least ten employees** (Art. 2(1)) — must register all its employees with the health insurance agency (Art. 5(2)), pay a contribution matching the employee's, as an equal percentage of salary (Art. 9(2)), and deduct and transfer the employee's share every month (Art. 9(3)). Roll-out started with public health-sector staff in January 2026: see social health insurance in Ethiopia.

Insurers also sell group medical cover for staff; it sits on top of the public schemes. How Ethiopia compares with Kenya, Uganda, Tanzania and South Africa on work injuries: workers' compensation across Africa.

Frequently asked questions

Is an Ethiopian employer liable for a work accident?
Yes, irrespective of fault, except for self-inflicted injuries (Labour Proclamation 1156/2019, Art. 96).

How much is paid for a work-related death in Ethiopia?
For a worker outside the pension scheme, five times annual salary to dependants plus funeral costs of at least two months' wages (Art. 110).

Is workmen's compensation insurance compulsory in Ethiopia?
The Labour Proclamation makes the employer liable for employment injuries; Art. 171(1)(i) lets the Ministry decide which undertakings must arrange insurance for those benefits. Even where it is not required, insurance lets the business carry a liability of up to five times annual wages per worker.

Must an Ethiopian employer register staff for health insurance?
Yes in law: Proclamation 690/2010 requires employers of at least ten employees, public offices and public enterprises to register all employees for social health insurance and to pay matching contributions.

Sources

Chapter 1: Ethiopia pension calculator: private-sector contributions (7% + 11%) and your pension

1. Private Organization Employees' Pension Proclamation No. 1268/2022 — Federal Negarit Gazette No. 16, 18 March 2022 (gazette copy) — https://www.metaappz.com/pdf/ethiopian_laws/federal/2022/pr_1268_2022.pdf

Chapter 2: Employment injury benefit calculator: what Ethiopia's private pension scheme pays after a work injury

1. Private Organization Employees' Pension Proclamation No. 1268/2022 — Federal Negarit Gazette No. 16, 18 March 2022 (gazette copy) — https://www.metaappz.com/pdf/ethiopian_laws/federal/2022/pr_1268_2022.pdf

Chapter 3: Employment injury and business insurance in Ethiopia

1. Labour Proclamation No. 1156/2019 (Federal Negarit Gazette No. 89) — https://ethiodata.et/wp-content/uploads/2023/01/Ethiopia-Labour-Proclamation-No.-1156_2019.pdf
2. National Bank of Ethiopia — Financial Consumer Protection Directive FCP/01/2020 — https://nbe.gov.et/wp-content/uploads/2023/04/FCP-01-2020.pdf
3. Social Health Insurance Proclamation No. 690/2010, Federal Negarit Gazeta No. 50, 19 August 2010 (WHO legislation database copy) — https://extranet.who.int/cpcd/sites/default/files/public_file_repository/ETH_Ethiopia_Proclamation-690-2010-Social-Health-Insurance_2010.pdf

About this guide

Written and checked by the Tulinde editorial team. How we check facts: https://tulinde.africa/editorial-policy/.Read and share it online: https://tulinde.africa/et/free-guides/pension-employment-injury-checklist-2026/.

Tulinde — independent guide, not an insurer. © Takat AI. Compiled 28 October 2026.

