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DIRECTORATE OF PERSONNEL
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 P. O. Box 30050
 NAIROBI

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14th December, 2000

Ref. No.
 and date

The Attorney-General,
 All Permanent Secretaries (with sufficient copies for all Chief Executives of State
 Corporations and Statutory Boards),
 The Controller and Auditor-General,
 The Private Secretary/Comptroller of State House,
 The Secretary, Public Service commission,
 The Clerk, National Assembly,
 The Registrar, High Court of Kenya,
 The Director-General, National Security Intelligence Service
 The Secretary, Teachers Service Commission,

**PAYMENT OF SERVICE GRATUITY TO OFFICERS
 SERVING ON LOCAL AGREEMENT/CONTRACT**

Where substantive vacancies cannot be filled on permanent and pensionable terms or where vacancies exist in non-pensionable establishments, candidates have normally been appointed on agreement terms and gratuity paid to them at the end of the agreement periods.

The rate of calculating gratuity paid within the public service has been 25% (twenty five percent) of the officers' basic salary drawn over the contract period. In view of fluctuating value of earnings from salaries, wages and superannuation benefits, it has been decided that the rate of calculating gratuity be reviewed.

It has been decided therefore, that gratuity on local agreements and contracts signed on or after 11th September, 2000, shall be calculated at the rate of 31% (thirty one per cent) of officers' basic salary drawn over the agreement periods.

Necessary changes should be reflected in the agreement forms.

J. E. O. Ongwae, OGW.,
PERMANENT SECRETARY/DIRECTOR
OF PERSONNEL MANAGEMENT

cc. Dr. Richard E. Leakey,
 Permanent Secretary/Secretary to the
 Cabinet and Head of Public Service,
 Office of the President,
NAIROBI