

RSSB PENSION CONTRIBUTIONS FROM 2027: BUDGETING YOUR STAFF COSTS TO 2030

On 1 January 2027 the total mandatory pension contribution in Rwanda rises from 12% to 14% of gross salary. It is the second of five annual steps that take the rate to 20% by 2030. The 2025 reform (doubling of the rate, transport allowance in the base, contract addendums) is now behind most employers. What matters for the next four budgets is what each step costs, who carries it, and how quickly it adds up.

What is changing?

2026
12%
6% + 6%

2027
14%
7% + 7%

2028
16%
8% + 8%

2029
18%
9% + 9%

2030
20%
10% + 10%

The total rate is split equally between employer and employee. The schedule is fixed by Presidential Order n° 086/01 of 12/12/2024 determining the contribution rate to the mandatory pension scheme (Article One).

The contribution base does not change again: since January 2025 it is the total gross salary including transport allowance, aligned with the PAYE base. Maternity leave contributions (0.3% employer and 0.3% employee) continue to exclude transport, and occupational hazards (2%) remain fully payable by the employer.

The 2027 step in three ratios

63.0% to 69.6%

EMPLOYEE VIEW

Ratio 1: in 2027 an employee keeps 63.0% to 69.6% of gross salary, about 1 percentage point less than in 2026. Higher salaries keep a smaller share due to the sliding scale on PAYE.

1.57 to 1.74

BUSINESS VIEW

Ratio 2: in 2027 the total cost is 57% to 74% above the net salary paid out, so every 1 RWF of take-home pay costs the business 1.57 to 1.74 RWF. See page 3 for the full curve.

-9,950

GROSS FIXED

Where gross is fixed, the employee takes home less: on a 1,000,000 RWF gross, net pay falls by 9,950 RWF a month and employer cost rises 0.9%. Where net paid out is fixed, employer cost rises about 2.5%.

Ratios 1 and 2 cover gross salaries from RWF 500,000 to RWF 6,000,000. The chart on page 3 extends Ratio 2 to net pay from RWF 100,000 to RWF 6,000,000. Net salary is after PAYE, employee pension, maternity and CBHI. See the assumptions on page 4.

Who pays what each month

% of gross salary	2026	2027	2028	2029	2030
Employee pension	6%	7%	8%	9%	10%
Employer pension	6%	7%	8%	9%	10%
Occupational hazards (employer)	2%	2%	2%	2%	2%
Maternity (employer + employee)	0.6%	0.6%	0.6%	0.6%	0.6%
Statutory cost on top of gross (employer)	8.3%	9.3%	10.3%	11.3%	12.3%
Total remitted to RSSB	14.6%	16.6%	18.6%	20.6%	22.6%

In addition, the employee pays the community based health insurance (CBHI) contribution of 0.5% of net pay, which is included in the take-home figures below.

Example 1: salary agreed gross at RWF 1,000,000

The employee carries half of every step through a lower take-home pay. The employer carries the other half.

Monthly, RWF	2026	2027	2028	2029	2030
Employee pension	60,000	70,000	80,000	90,000	100,000
Employer pension	60,000	70,000	80,000	90,000	100,000
Employee take-home pay	669,635	659,685	649,735	639,785	629,835
Total employer cost	1,083,000	1,093,000	1,103,000	1,113,000	1,123,000
Total remitted to RSSB	146,000	166,000	186,000	206,000	226,000

Employer cost includes gross salary, employer pension, occupational hazards (2%) and maternity (0.3%). Take-home pay after PAYE of RWF 264,000, employee pension, maternity (0.3%) and CBHI (0.5% of net).

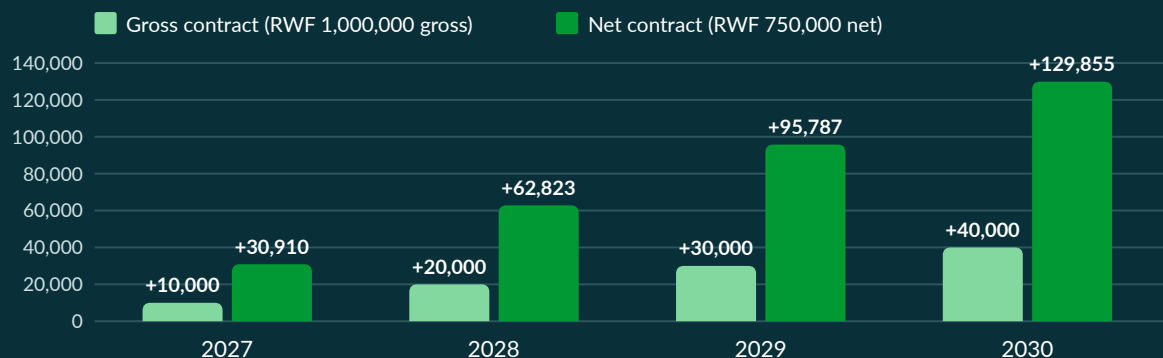
Example 2: salary agreed net at RWF 750,000

Where the contract guarantees a net amount, the employer funds **both** halves of every step and has to gross up the salary for PAYE at the 30% marginal rate. The same two points cost roughly three times as much.

Monthly, RWF	2026	2027	2028	2029	2030
Gross salary needed	1,126,796	1,144,767	1,163,321	1,182,486	1,202,293
PAYE	302,039	307,430	312,996	318,746	324,688
Employee pension	67,608	80,134	93,066	106,424	120,229
Employer pension	67,608	80,134	93,066	106,424	120,229
Employee take-home pay	750,000	750,000	750,000	750,000	750,000
Total employer cost	1,220,320	1,251,230	1,283,143	1,316,107	1,350,175
Total remitted to RSSB	164,512	190,031	216,378	243,592	271,718

Gross versus net: how the steps add up

Increase in monthly employer cost compared with 2026, one employee (RWF)



1%

GROSS CONTRACTS

Each annual step adds 1% of gross salary to the employer's cost and takes almost the same amount (RWF 9,950 per RWF 1,000,000) off the employee's take-home pay.

~2.5%

NET CONTRACTS

Each step adds about 2.5% to 2.6% to the total cost of employment for salaries in the 30% PAYE band.

+50%

BY 2030

The employer's statutory contributions grow from 8.3% to 12.3% of gross salary between 2026 and 2030.

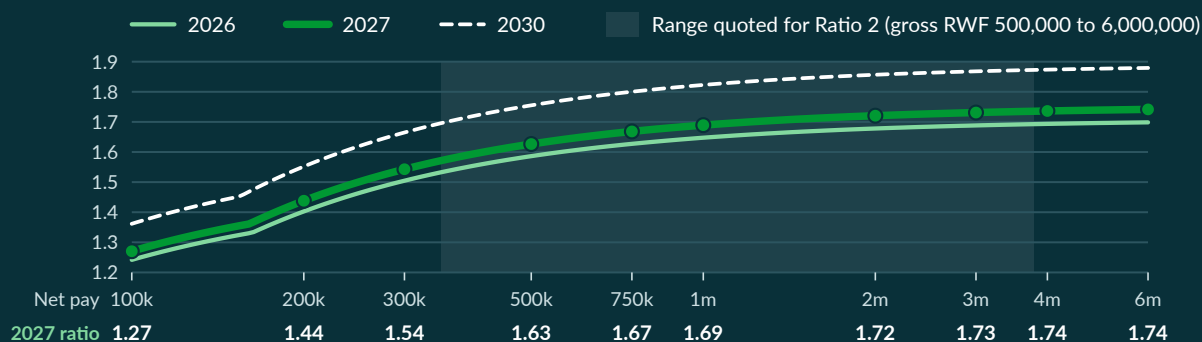
Ratios for your budget

Increase on the previous year	2026	2027	2028	2029	2030
Employer cost, gross contracts		+0.9%	+0.9%	+0.9%	+0.9%
Employer cost, net contracts (RWF 750k)		+2.5%	+2.6%	+2.6%	+2.6%
Take-home pay, gross contracts (RWF 1m)		-1.5%	-1.5%	-1.5%	-1.6%

Cumulative 2026 to 2030: employer cost +3.7% on gross contracts and +10.6% on net contracts; take-home pay on gross contracts -5.9% (RWF 39,800 a month).

Ratio 2 by net salary: what each RWF of net pay costs

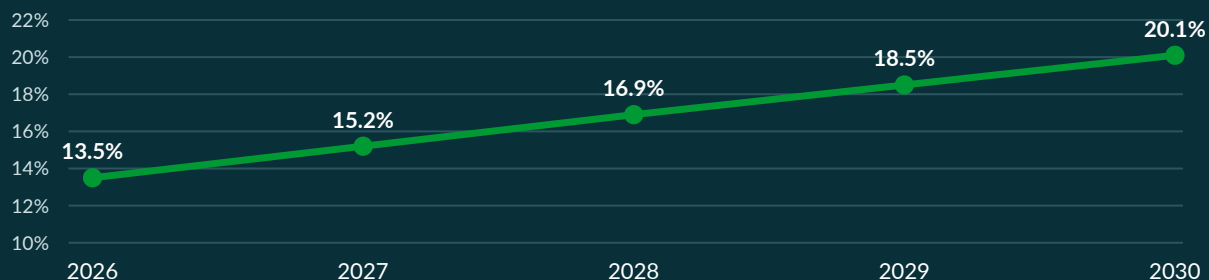
Employer cost for every 1 RWF of net pay paid out, by net salary (RWF a month)



Net pay on a log scale, grossed up at each year's rates. Example 2 (RWF 750,000 net) costs 1.67 in 2027.

Pension now weighs more in every payroll

All RSSB contributions as % of total payroll cost (net contract, RWF 750,000)



What to do before January 2027

- **Update payroll settings** for the 14% rate (7% employer, 7% employee) and test the January 2027 run, including the RSSB declaration due by the 15th of February.
- **Budget for four years, not one:** build 2027 to 2030 into your staff cost forecast using the ratios above, and into the pricing of multi-year client contracts and tenders.
- **Decide your position on take-home pay:** whether you absorb any part of the employee share, and for how long. If you do, document it, since it becomes part of remuneration.
- **Communicate early:** employees on gross contracts will see their take-home pay fall every January until 2030.
- **Watch for a review:** any change under Article 2 of Presidential Order n° 086/01 of 12/12/2024 will come through an amending Presidential Order. We will update our clients as soon as one is published.

Assumptions behind our figures

Monthly amounts in RWF. Salary consists of basic pay only (no transport allowance), so the maternity base equals gross salary. PAYE at the RRA monthly bands (0% to RWF 60,000; 10% to 100,000; 20% to 200,000; 30% above), computed on gross pay with no deduction for employee contributions. CBHI at 0.5% of net pay deducted from take-home pay. Voluntary schemes excluded. Results for other salary levels and structures will differ, and this note is general information, not advice on your specific situation.

Need the impact for your own payroll?

We can model your staff costs to 2030 and prepare the employee communication. Visit our blog, follow us on LinkedIn or contact us directly.

OFFICE

Visions Africa Ltd
KG 548, House 12, 2nd Floor
PO Box 308, Kigali, Rwanda

PHONE

+250 792 407 650

OFFICE HOURS

Monday to Friday
08:30 to 17:30

EMAIL

contact@visionsafrica.com

WEB AND LINKEDIN

www.visionsafrica.com
Visions Africa on LinkedIn