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How to Keep Staff Payroll Records Straight in a Kenyan School (2026 Deductions Cheat Sheet)

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A practical guide to staff payment registers for Kenyan schools: what to record, the current PAYE/SHIF/NSSF/Housing Levy deductions, a worked payslip example and a payroll-day checklist.

A clean staff payroll record answers four questions for every employee, every month: what they earned, what was deducted and why, what they were actually paid, and when and how the money moved. If your records cannot answer those questions in under a minute, the problem is not your memory — it is the system. This guide shows how to set up a staff payment register that survives audits, staff disputes and your own end-of-month fatigue.

Who this guide is for

School owners, bursars and administrators in Kenyan private schools where payroll sits with the same person who handles fees. It covers teachers and non-teaching staff — cooks, drivers, watchmen, matrons — including casual workers paid by the day.

What a staff payment register must contain

Whether you keep it in a bound ledger, Excel or a system, each employee-month row should hold:

Field

Why it matters

Employee number, name and job title

Two employees can share a name; a number cannot

Employment type

Permanent, contract, part-time, casual or intern — tax treatment differs

Earnings itemised

Basic salary plus allowances shown as separate lines, not one lump

Each deduction named

"PAYE", "SHIF", "NSSF", "Housing Levy", "salary advance" — never one unexplained "deductions" figure

Gross pay, total deductions, net pay

The three numbers every payslip must reconcile to

Payment method and reference

M-Pesa transaction code, bank transfer reference or cheque number

Payment date and approval trail

Who computed, who approved, when it was paid

KRA PIN, NSSF and SHIF numbers

Needed for statutory remittances and the employee's own records

The statutory deductions that apply right now

Rates change with finance acts, so treat this table as a snapshot and confirm current figures before each payroll run. As at November 2026:

Deduction

Rate / basis

Notes

PAYE (income tax)

Bands: 10% up to KSh 24,000/month; 25% to 32,333; 30% to 500,000; 32.5% to 800,000; 35% above. Personal relief KSh 2,400/month

Deduct and remit to KRA by the 9th of the following month via iTax

SHIF

2.75% of gross pay

Replaced NHIF from October 2024; remitted to the Social Health Authority

NSSF

6% of pensionable pay each from employee and employer, under the NSSF Act 2013 tier rules

From February 2026: Tier I up to KSh 9,000 of pay, Tier II KSh 9,001–108,000

Affordable Housing Levy

1.5% of gross pay from the employee, matched 1.5% by the employer

Employee contributions are tax-deductible

On top of employee deductions, the school carries the employer share of NSSF and the Housing Levy, plus any agreed benefits. Budget for the true cost of a salary, not the gross figure alone.

A worked example

A teacher on a gross salary of KSh 42,500 in late 2026, simplified for illustration:

Line

Amount (KSh)

Gross pay

42,500

NSSF (employee share, Tier I + II)

−2,550

PAYE after personal relief (approx.)

−4,368

SHIF (2.75% of gross)

−1,169

Affordable Housing Levy (1.5%)

−638

Net pay

≈ **33,775**

The school also remits its own NSSF share and 1.5% Housing Levy on top. Always run the real computation against the current KRA bands and reliefs — this example rounds and simplifies.

A monthly payroll workflow that holds up

- **Update the register before payday, not after.** New hires, exits, salary changes and unpaid leave go in first. Payroll computed on stale records is how you pay someone who left in October.
- **Build each payslip from itemised lines.** Basic salary, allowances and every deduction as named lines. If a number cannot be explained in one word, it should not be there.
- **Approve before paying.** The person who prepares the payroll should not be the only one who checks it. A second pair of eyes — headteacher, director or designated approver — catches both errors and abuse.
- **Pay with a traceable method.** M-Pesa, bank transfer or cheque, each with its reference recorded against the payslip. Cash payroll with no trail is a dispute waiting to happen.
- **Issue the payslip the same day.** Staff should never have to ask what was deducted. A payslip they can pull up themselves ends most payroll questions.
- **Remit statutory deductions on time.** PAYE is due to KRA by the 9th of the following month; NSSF and SHIF have their own monthly deadlines. Late remittance attracts penalties that come straight out of the school's pocket.
- **Reconcile monthly.** Total paid per the register should match money out per M-Pesa/bank records, and statutory remittances should match the deduction totals.

Common mistakes to avoid

- **Paying from personal M-Pesa with no register.** When the owner pays salaries from their phone, there is no register, no payslip and no defence when a staff member claims

underpayment.

• **Mixing salary advances with deductions.** An advance recovered over three months needs its own running balance, or you will over- or under-recover it silently.

• **One unexplained "deductions" column.** KRA, SHA and the employee all want to see each statutory deduction separately.

• **Using last year's rates.** NHIF became SHIF, NSSF tiers changed in February 2026, and the Housing Levy did not exist a few years ago. Stale rates mean under- or over-deducting every single employee.

• **No approval step.** A payroll nobody reviews is how ghost workers and inflated overtime survive for years.

• **Treating casual workers as invisible.** Casual staff still need payment records — a name, days worked, rate and amount paid, with a signature or M-Pesa reference.

Payroll day checklist

• ■ Register updated: new staff added, exits removed, salary changes entered

• ■ Leave and absences reflected in this month's pay

• ■ Every payslip itemised: earnings and each deduction named

• ■ Statutory amounts computed at current rates (PAYE bands, SHIF 2.75%, NSSF tiers, Housing Levy 1.5%)

• ■ Second person has reviewed and approved the run

• ■ Payments sent by traceable method, references recorded

• ■ Payslips issued to all staff

• ■ Remittance dates for KRA, SHA and NSSF diarised

Where Mwalimu Ease fits

Mwalimu Ease has a built-in payroll module designed for exactly this workflow. The staff directory holds employment records — employee numbers, contract type (permanent, contract, part-time, casual or intern), basic salary, bank and M-Pesa details, and KRA PIN, NSSF and SHIF numbers. Records → Generate runs a month's payroll per person or in bulk, each payslip built from itemised earning and deduction lines. Records move through a Draft → Pending → Approved → Released → Paid workflow with a designated approver, so payment never happens without review. Payslips are printable, staff see their own under My Payslips, and payroll data exports for your accountant. The same module covers clock-in attendance (with optional face verification), departments and leave management — so the salary is computed from records that already exist. See the payroll documentation or pricing for details. You still apply current KRA, SHA and NSSF rates when entering deduction lines — the system keeps the records, approvals and payslips straight.

Frequently asked questions

Does a small school with ten staff need payroll software?

You need a disciplined register more than you need software — but even ten employees means ten payslips, ten sets of statutory deductions and ten payment references every month. A system removes the arithmetic errors and the lost papers; the discipline is still yours.

Do casual workers go on the payroll?

They need payment records, yes — name, days worked, rate and amount. Whether their pay goes through the same monthly payslip process is your choice; many schools run casuals on a separate weekly or daily register.

How long should a school keep payroll records?

Keep them for at least five years. KRA requires tax records to be retained for five years, and employment-related queries about pay can surface long after a staff member has left.

Are digital payslips acceptable in Kenya?

Yes — the Employment Act requires an itemised pay statement, not a specific format. A printable PDF or a self-service portal satisfies this as long as the employee can actually access it.

What happens if statutory deductions are remitted late?

Late PAYE attracts penalties and interest charged to the employer — the school pays, not the employee. Build the remittance dates into the same calendar as payroll day so they are never an afterthought.

Sources

- Kenya Revenue Authority — PAYE employer guide
- Kenya tax rates summary — PAYE bands, SHIF, NSSF tiers, Housing Levy
- Social Health Authority (SHIF)
- National Social Security Fund

Last reviewed: 16 November 2026. Statutory rates and deadlines change — confirm current figures with KRA, SHA and NSSF before each payroll run.

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