

Payroll Outsourcing Checklist for Small Kenyan Businesses (2025 Edition)

*Brought to you by Bubi Alexander & Co.
Your Regional Experts in Corporate Finance*

Part 1: Statutory Compliance Essentials

Ensure your payroll provider covers all the following statutory deductions and submissions:

Item	Description	Covered? (Yes or No)
PAYE (Pay As You Earn)	Deducted and submitted monthly via iTax	
SHA (Social Health Insurance)	2.75% deduction replacing NHIF; remitted to SHA authority	
NSSF	Tier I & Tier II contributions as per RBA guidelines	
Housing Levy	1.5% employee + 1.5% employer contribution (as of Finance Act 2023)	
HELB deductions (if applicable)	Handled for employees with HELB loan obligations	
NITA (Training Levy)	0.5% of gross monthly wage for training fund	
KRA P9 Generation	Automated annual P9 form for income tax filing	

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Part 2: Payroll Documentation & Processing

Make sure your payroll partner can handle these documentation standards:

Requirement	Description	Covered? (Yes or No)
Payroll Schedule	Deducted and submitted monthly via iTax	
Payslip Generation	2.75% deduction replacing NHIF; remitted to SHA authority	
Leave Tracking	Tier I & Tier II contributions as per RBA guidelines	
Overtime, bonuses & commissions	1.5% employee + 1.5% employer contribution (as of Finance Act 2023)	
Audit-ready Records	Handled for employees with HELB loan obligations	
Separation pay calculations	0.5% of gross monthly wage for training fund	

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Part 3: Technology, Integrations & Access

Verify compatibility and employee self-service features:

Feature	Description	Covered? (Yes or No)
GHRIS & iTax syncing	Seamless submission to government portals	
Employee Self-service Portal	Access payslips, tax info, leave, etc.	
Data security & backups	Encrypted storage with backup policies	
Mobile-friendliness	Supports mobile logins & requests	

Part 4: Outsourcing Partner Evaluation

Use this section to assess the payroll service provider (like Bubi Alexander & Co.):

Question	Yes/No
Do they offer a dedicated account manager?	
Do they understand Kenyan payroll laws and updates?	
Can they scale with your company's growth?	
Are their services cost-effective and transparent?	
Do they have testimonials or NGO/SME references?	

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Why This Checklist Matters

- Payroll errors can result in:
- Hefty penalties from KRA
- Mistrust from employees
- Audits or license issues for NGOs

Need Expert Help?

Bubi Alexander & Co.
Payroll Outsourcing | Tax Advisory | NGO & SME Compliance
Your Regional Experts in Corporate Finance

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