



# NAPSA AND YOU



Be smart, secure your future

# NATIONAL PENSION SCHEME AUTHORITY

## HERE TO SECURE YOUR FUTURE

The National Pension Scheme Authority (NAPSA) was established by an act of Parliament, the National Pension Scheme (NPS) Act Number 40 of 1996.

NAPSA became operational on 1st February 2000 following the closure of the then Zambia National Provident Fund (ZNPF) which had been in existence since 1966. All assets and legal responsibilities of the ZNPF were vested in NAPSA.

The formation of NAPSA was also in response to the changing labour market and was aimed at creating an efficient social security institution that would deliver quality services and contribute to national development.

## OUR ROLE

NAPSA was formed to provide income support to workers and their families following loss of employment due to old age/retirement, invalidity or death. This is achieved through the payment of benefits known as monthly pensions.

## OUR VISION

A trusted partner that protects people's future and brings pride to the Nation.

## OUR MISSION

Securing the social economic well-being of the people of Zambia

## OUR VALUES – THE NAPSA WAY

Integrity

Collaboration

Accountability

Respect

Excellency

# iCARE

## Main Features of NAPSA

- (a) Membership to NAPSA is compulsory for all employed persons including those joining the Civil Service and Local Authorities after 1 February 2000.
- (b) The Scheme is called a contributory scheme because it is financed by monthly contributions from employers and employees.
- (c) The employer and employee contribute at the rate of 5% each of the gross monthly income subject to a ceiling determined annually using National Average Earnings (NAE).
- (d) NAPSA pays out three main types of benefits namely: Retirement, Survivors and Invalidity.
- (e) The Pensionable Age for NAPSA members is:
  - Early retirement age – 55 years.
  - Normal retirement age – 60 years
  - Late retirement age – 65 years.
- (f) A lump sum funeral grant is paid to the next of kin or any other persons responsible for the funeral expenses in case of death of a member.
- (g) The funeral grant amount payable 10 times the minimum wage. In 2019, it is K10,738.00 and it increases every year.



- (h) Pensioners collect their monthly pensions from designated banks across the countries, otherwise alternative administrative arrangements can be made by the Authority for convenience of pensioners.

### **Special Project - Extension of Coverage to the Informal Sector**

Since commencement of operations in February 2000, NAPSA had mainly focused on the formal sector. Almost all employees in the formal sector are covered. However, this sector constitutes only 16 percent of the total employed population in Zambia. The remaining 84 percent is made up of workers from the informal sector.

NAPSA is now focusing on extending social security coverage to the uncovered groups in the informal sector. These include;

- Domestic workers,
- Bus and Taxi drivers,
- Sawmillers,
- Marketeers and;
- Small-scale farmers among others.

This is in line with the Government's policy on poverty alleviation through social protection.



### **Investments**

NAPSA invests funds that it collects from members and are not immediately required to meet any obligations in a range of assets. This is to grow the funds in order to pay members meaningful pension that is protected from inflation and with interest.

These investments help build the economy and create jobs. The list below shows the diversified composition of NAPSA's investments:

- Government Bonds
- Treasury Bills
- Listed equities
- Fixed term deposits
- Listed corporate bonds
- Private equity
- Infrastructure
- Collective Investment schemes
- Viable socially and economically targeted investments
- Real estate - both direct and indirect investment
- Special Purpose Vehicles - companies strategically created by the Authority to the exclusion of others
- Underwriting
- Greenfield investments



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## CONTACT DETAILS

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