



NATIONAL PENSION SCHEME AUTHORITY

BENEFITS GUIDE



GUARANTEED SOCIAL SECURITY



NAPSA MANDATE

Registration of members, collection of contributions, investment of funds and payment of benefits

VISION STATEMENT

To be the model social security institution in Africa

MISSION STATEMENT

To prudently administer and be custodian of a viable social security scheme that guarantees income security to its members

CORE VALUES

- Responsibility - We are committed to be responsible custodians of the funds entrusted with us
- Customer Service – We are committed to the provision of service with excellence
- Integrity - We demand of ourselves the highest ethical standards in all our dealings with our stakeholders and the public
- Professionalism - We are guided by the highest professional standards in the conduct of our business
- Leadership - We are committed to fostering a sound working environment in which all employees can develop and deliver their fullest potential through diligent leadership
- Corporate Citizenship - We are committed to good corporate citizenship always working in the best interest of our country



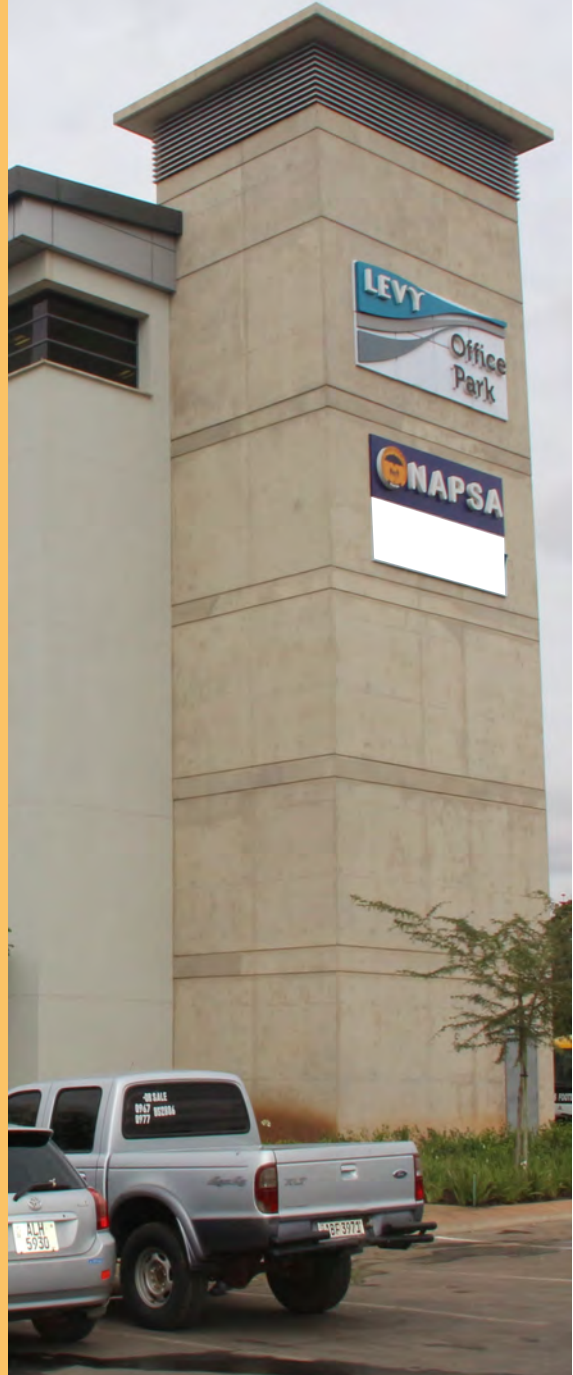
GUARANTEED SOCIAL SECURITY

WHAT IS THE NATIONAL PENSION SCHEME AUTHORITY?

The National Pension Scheme Authority (NAPSA) was established in February 2000 by the National Pension Scheme Act no. 40 of 1996 of the Laws of Zambia.

This followed the closure of the Zambia National Provident Fund (ZNPF) after the responsible Act under which it was formed was repealed. The ZNPF therefore stopped receiving contributions on 31st January 2000.

NAPSA was formed to provide income security when members reach retirement age, become invalid, or to a member's spouse(s), biological and legally adopted children in the event of death.



WHAT BENEFITS DOES NAPSA PAY?

NAPSA pays out three principal benefits – retirement, invalidity and survivor's. In addition to these, NAPSA provides a funeral grant to survivors of the deceased member.

RETIREMENT BENEFITS



Following the recent assent of the National Pension Scheme Amendment Act No. 7 of 2015 on **14th August 2015**, pensionable age for members of NAPSA was revised as follows:

- Early retirement age – previously 50 years, now 55 years.
- Normal retirement age – previously

- 55 years, now 60 years.
- Late retirement age – 65 years.

Members who joined NAPSA after 14th August 2015 can claim their benefits at 55 (Early retirement pension only), 60 or 65 years of age, while members who joined NAPSA before 14th August 2015 can claim their benefits at 50 (Early retirement pension only) and 55 years or at 60 or 65 years of age.

Any registered member who has reached the ages of 55, 60 and 65 years and has made a minimum of 180 months of contributions or qualifies under the reduced criteria (sliding scale), is eligible to receive a monthly pension.

The sliding scale was designed to enable members who would not have met the 180 months of contributions to qualify for normal retirement pension, subject to their age on 1st February 2000. :

Age on 1 st February 2000	No. of months required	No. of years required
39	168	14
40	156	13
41	144	12
42	132	11
43	120	10
44	108	9
45	96	8
46	84	7
47	72	6
48	60	5



Any registered member who has reached the ages of 50 (for members who joined NAPSA before 14th August 2015) and 55 (for members who joined NAPSA after 14th August 2015) years of age, and has made a minimum of 180 months of contributions is eligible for **early retirement pension**, provided that the calculated pension exceeds the minimum pension payable in the year of retirement.



INVALIDITY BENEFITS

Any registered member with a minimum of 60 months of contributions and has become disabled to an extent that they can no longer work (**as determined by a medical board**), is eligible for invalidity pension provided they have 12 contributions within 36 months of becoming invalid.

A registered member with less than 12 contributions within 36 months of

becoming invalid or with less than 60 months of contributions is eligible for invalidity lump sum.



SURVIVOR'S BENEFITS

If a member passes away, their spouse(s), biological and legally adopted children are eligible to receive a survivor's lump sum. If a retirement or invalidity pensioner passes away, their spouse(s), biological and legally adopted children are eligible to receive a survivor's pension.

The **amount payable is divided among the following eligible beneficiaries (2 shares for a spouse and 1 share per child)**

- Spouse(s);
- Child under the age of 18 years;

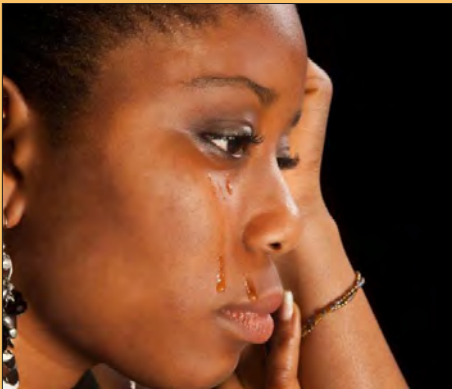


- Child under the age of 25 years in formal education;
- Unborn child (at the death of member);
- Child of any age physically or mentally incapacitated by the age of 18 and at the death of the member.

Where there are no spouse(s) or children the court appointed administrator of the deceased's estate will be eligible to receive a survivors' lump sum.

FUNERAL GRANT

If a registered member passes away, NAPSA provides a funeral grant to help







cover the costs of the funeral. The member must have made at least 12 monthly contributions during the last 36 months of their life.

In the event that a retirement or invalidity pensioner passes away, the funeral grant is paid whether the member made at least 12 monthly contributions during the last 36 months of their life or not.



NAPSA BENEFITS

-  **RETIREMENTS BENEFITS**
-  **INVALIDITY BENEFITS**
-  **SURVIVORS BENEFITS**
-  **FUNERAL GRANT**

FREQUENTLY ASKED QUESTIONS

Can I get any other benefits apart from the monthly pension?

Members who do not meet the qualifying criteria for a pension are paid either retirement lump sum, invalidity lump sum, or survivor's lump sum.

How are benefits calculated?



All lump sum benefits are determined using the following components:

- Total employee contributions;
- Total employer contributions;
- Index amount (compensation for loss of value);
- Interest amount.

Formular = Total contributions + Indexation + Interest

Normal retirement and survivor's

pension benefits are determined using the following components:

- Salary – average indexed monthly earnings.
- Replacement rate (0.001111XM),
Where M =Months of pensionable employment

Formular = Average Indexed Monthly Earnings x 0.00111x M

Early retirement pension benefits are determined using the following components:

- Salary – average indexed monthly earnings;
- Replacement rate (0.001111XM),
Where M =Months of pensionable employment;
- Number of months between early retirement and attainment of normal retirement.

Formular = Normal Retirement Pension - (0.005x Normal Retirement Pension)

Invalidity pension benefits are determined using the following components:

- Compensation for lost years;
- Salary – average indexed monthly earnings;
- Number of years lost from works as a result of invalidity;
- Greater of monthly pension and minimum pension.

Formular = (0.005 x Average Indexed Monthly Earnings x No. of years lost from work due to invalidity) + the greater of normal retirement pension or minimum pension



What is compensation for loss of value?



Compensation for loss of value is the adjustment of a member's contributions to National Average Earning (NAE) (wage inflation), and the **indexation factor applied to each year of contributions** is calculated as follows:

NAE in year of statutory retirement/invalidity/death

NAE in year of contribution

What is the lowest pension NAPSA pays?

NAPSA law provides for a minimum pension. This is the lowest monthly retirement or invalidity pension payable in a given year and is computed as follows:

20% of the National Average Earnings (NAE) applicable in the year of retirement or invalidity, as obtained from the Central Statistical Office. For example;

2015 = 20% of 3,981.00 = 796.20
2016 = 20% of 4,219.86 = 843.97
2017 = 20% of 4,473.04 = 894.61

How long are pensions paid for?

NAPSA monthly pensions are paid to the

member for life, and are converted to a survivor's pension if the member passes away.

Invalidity pensions are converted to retirement pensions when the member attains normal retirement age.

Continued payment of the pension is dependent on annual submission of a pension life certificate by all pensioners (retirement, invalidity and survivor's).

Does the rate of pension remain the same over the years?

All NAPSA pensions in payment are adjusted annually in line with changes in NAE (wage inflation).

What happens to my contributions if I pass away?

Survivor's benefits are paid when a member passes away, regardless of their age.

How is funeral grant calculated?

Funeral grant is computed as follows:
10 x the minimum pension



applicable in the year of the member's death.

Examples:

$$2015 = 10 \times 796.20 = 7,962$$

$$2016 = 10 \times 843.97 = 8,440$$

$$2017 = 10 \times 894.16 = 8,946.08$$

How will I know how much I will be paid?

NAPSA contribution statements provide the principal amount payable, consisting of employee and employer contributions. The principal amount will be indexed to wage inflation (compensation for loss of value of the contributions over time), and interest will also be added.

How do I apply for my benefits?

Once a member reaches retirement age, becomes invalid or passes away, the member or surviving beneficiaries should visit their nearest NAPSA office or mobile office with an original Identity Document for advice on how to claim their benefits. Once eligibility is determined, a claim form will be issued together with instructions on completion and guidance on supporting documents.

How long does it take to get my benefits?

It takes up to 21 days to pay a retirement

lump sum benefit **if all** beneficiary details and contributions are made available, the necessary documents have been submitted. In the case of survivor's benefits, payment is made within 30 days.

Missing contribution and beneficiary data tend to delay processing of benefits. Members are encouraged to regularly check their contribution statements and update their spouses(s), biological and legally adopted children.

How are benefits paid?

All benefits are paid by bank transfer. Monthly pensions are paid into pension accounts that are opened for the pensioner by NAPSA.

How do I verify my benefits?

Benefits payable can be verified from the nearest NAPSA office where a payment voucher can be obtained.

Can I continue contributing to NAPSA after I receive a benefit?

A member who has claimed a benefit cannot rejoin the Scheme and is encouraged to formally notify their employer if they continue working or enter into employment again.



What has happened to the contributions I made to the ZNPF?

NAPSA has continued paying benefits on behalf of the ZNPF. Benefits payable under the ZNPF are:

1. **Age** – payable in the year a member attains 50 years;
2. **Retirement** – payable in the year a member attains 50 years;
3. **Survivor's** and funeral grant;
4. **Physical disability**;
5. **Mental disability**;
6. **Emigration** ;
7. **Home ownership** withdrawal for building or purchasing a house – requires the member to leave a balance of 24 months of contributions;

8. **Supplementary savings** – voluntary contributions.

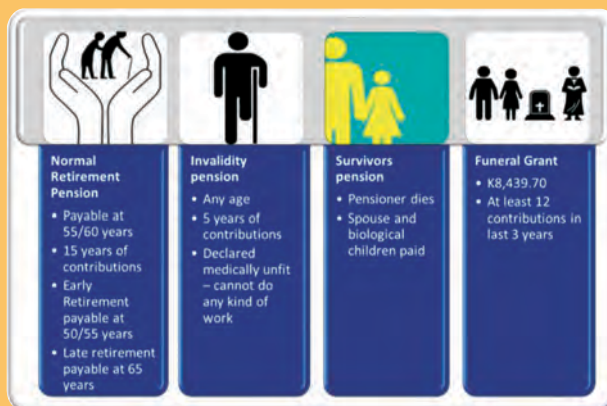
Are ZNPF benefits adjusted to inflation?

ZNPF benefits are not adjusted to inflation. Interest is however paid on all contributions.

Can I claim my ZNPF benefits together with my NAPSA benefits?

Members can claim their ZNPF and NAPSA benefits at the same time by completing the respective claim forms.

NAPSA further provides for the conversion of ZNPF contributions to NAPSA contributions, to enhance the chances of qualifying for a pension at a rate of **12 ZNPF months to 3 NAPSA months.**



For further information please e-mail Customer Services using info@napsa.co.zm or call centre on +26 0211 228054 – 8.

Toll free: 677



Glossary

National Pension Scheme Act - Legislation enacted in 1996 that governs the operations of NAPSA.

Zambia National Provident Fund - A savings fund that was operational from October 1966 to January 2000, and is a predecessor to NAPSA.

Monthly Pension - A Replacement income paid very month to members of NAPSA or their beneficiaries.

Sliding Scale - Reduced criteria which helps members qualify for normal retirement pension.

Lump Sum - A one off benefit payment made to members of NAPSA or their beneficiaries.

National Average Earnings - Computed by the central statistical office





eNAPSA – A SIMPLE WAY TO SUBMIT NAPSA RETURNS

The National Pension Scheme Authority has implemented eNAPSA, a new system for filling monthly NAPSA returns before making payment.

To start using eNAPSA, employers and members are advised to follow the steps below:

1. Complete the eNAPSA services registration form which can be downloaded from the NAPSA website under the menu 'Pension Information> Contributions> Contributions downloads' or obtained from any NAPSA office.
2. Return the completed form to a NAPSA office or scan and email a completed form to Customer Services via info@napsa.co.zm and wait for the SMS from NAPSA which will confirm your account update.
3. Finish the eNAPSA registration process by visiting the NAPSA website www.napsa.co.zm and click on eServices tab and go to sign-up. For employers, login using the employer account number, login ID and password. For members, use the social security number and password sent by the eNAPSA system via sms.

In order to support employers to transition and comply with the new system, the Authority has setup eNAPSA helpdesks at all our offices countrywide.

Employers, particularly those that are facing challenges with signing up and uploading returns, are hereby encouraged to visit our helpdesks for assistance and not to wait for the due date which falls on the 10th of every subsequent month.

Employees are also advised to register on the portal to keep track of their member details and contributions and benefits information online.

The eNAPSA helpdesks are open on all working days across the country.

For any clarifications, please contact the Call Centre on telephone number +260 211 395677, Toll free number: 677 or visit any NAPSA office. You can also e-mail us on: info@napsa.co.zm