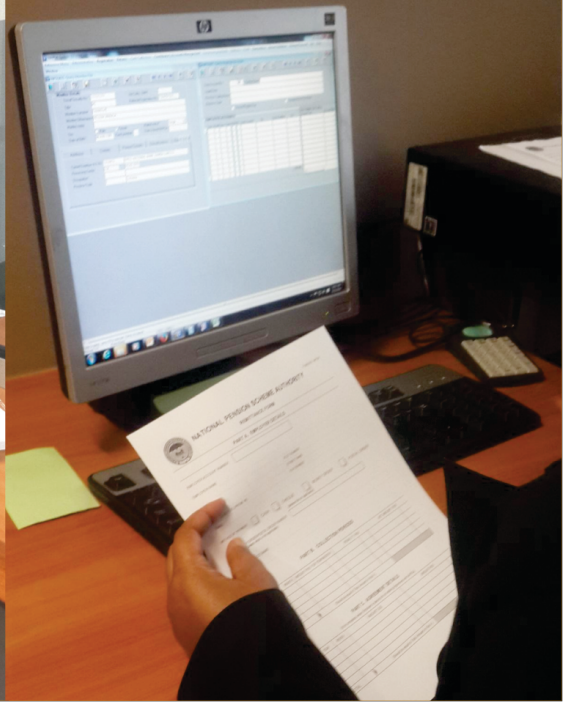


Be smart, secure your future

CONTRIBUTIONS GUIDE



CORPORATE BACKGROUND

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 liabilities 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.

MANDATE

NAPSA was formed to provide income security through payment of benefits to all workers when they reach retirement age, in case of invalidity, or to a member's family in the event of death of the member.



VISION STATEMENT

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

MISSION STATEMENT

Securing the social economic wellbeing of the people of Zambia

CORE VALUES – iCARE - (The NAPSA WAY)

Integrity - “Do the Right Thing”

Collaboration - “Work Together”

Accountability - “Be Responsible for Your Actions”

Respect - “Listen to Every Voice”

Excellence - “Perform at Your Best”

WHO IS AN ELIGIBLE CONTRIBUTING EMPLOYER?

As detailed in the NPS Act, every individual, association, institution or firm with a written or verbal employer/employee contract of service is an eligible contributing employer, and as such must register with NAPSA.

WHEN SHOULD AN EMPLOYER REGISTER WITH THE SCHEME?

According to section 13(1) of the NPS Act, an employer should register with the scheme within one month of registering with Patents and Companies Registration Agency (PACRA) / Registrar of Societies or employing an eligible employee.

WHICH EMPLOYEES ARE ELEGIBLE FOR REGISTRATION?

Membership to the scheme is compulsory for all employees regardless of the term used to describe their relationship with the employer or employment status. Eligible employees therefore include:

- Employees on probation
- Domestic workers
- Casual employees
- Student on paid internship
- Employees on fixed term contract
- Employees on part time including concurrent employment. E.g. medical staff working for more than one institution are supposed to remit NAPSA contributions at all institutions they work for.

Note: Following the assent of the National Pension Scheme Amendment Act No. 7 of 2015 on 14th August 2015, the scheme covers employees aged between 16 and 65 years.

WHICH EMPLOYEES ARE EXEMPT FROM BEING MEMBERS OF THE NATIONAL PENSION SCHEME?

- Non Zambians employed by organizations that have been accorded international status and exempted from paying tax under the Diplomatic and Immunities Act.
- Employees below the age of 16 years and those above the age of 65 years old.
- Public service workers, employed before 1st February 2000.
- Employees paid early, normal or late retirement benefits at the age of 50 or 55, 60 and 65 years respectively.
- Military personnel of the armed forces.

WHO IS RESPONSIBLE FOR REGISTERING EMPLOYEES?

It is the employer's obligation to register all its eligible employees with the Scheme. An employer can register workers online on the eNAPSA Portal. According to the NPS Act, an employer should register workers with the scheme within one month of their engagement.

All workers registered with the Scheme are issued a unique identifier known as Social Security Number and a membership card.

HOW MUCH IS AN EMPLOYER REQUIRED TO REMIT FOR EACH EMPLOYEE

An employer is required to remit an amount equal to 10 percent of an employee's Gross Earnings subject to the applicable contribution ceiling.

WHAT IS THE CONTRIBUTION CEILING?

It is the maximum deductible amount from an employee's gross earnings, and is revised every year depending on changes in the National Average Earnings.

WHAT CONSTITUTE GROSS EARNINGS?

Earnings for NAPSA purposes include: Basic pay + All allowances (Housing, cost of living, shift etc.) + Overtime + Gratuity + Bonus + Commission, leave Pay + Benefits in Kind.

HOW MUCH SHOULD AN EMPLOYER DEDUCT FROM AN EMPLOYEE'S GROSS EARNINGS?

The employer is only permitted to deduct half of the total contributions payable for the employee. Example: An Employees Monthly Gross Earning is K1, 200.00.Total contributions will be calculated as follows:

Employees share:

$$K1, 200.00 \times 5\% = K60.00$$

Employers share:

$$K1, 200.00 \times 5\% = K60.00$$

Total Contribution:

$$K1, 200.00 \times 10\% = K120.00$$

Note: If the computed 5% is greater than the applicable ceiling, the employee/ employer share should be limited to the ceiling amount.

WHEN ARE CONTRIBUTIONS DUE FOR PAYMENT?

Contributions are due for payment at the end of each month, with a given 10 days grace period into the following month. i.e contributions in respect of June earnings should be paid by 10th July. Where the 10th day of the following month falls on a weekend or public holiday, the grace period shall be extended to the next working day.

PENALTIES FOR LATE CONTRIBUTION PAYMENTS

Any contribution, including underpayments that is not paid by the due date attracts penalties equal to 20 percent cumulative for each month or part of the month the contribution or underpayment remains unpaid.

HOW TO COMPLETE A MONTHLY RETURN

Employers without electronic payroll systems are required to use the excel template provided by the Authority to prepare and upload their monthly returns on the eNAPSA Portal.

Employers with electronic payroll systems are required to upload the NAPSA monthly return generated by their payroll systems.

Employers whose electronic payroll systems do not generate monthly returns in the NAPSA format are urged to contact their payroll vendors so that their systems are calibrated to generate the return in the format prescribed by NAPSA.

WHAT CONSTITUTES A VALID MONTHLY RETURN?

A monthly return shall be considered to be valid if all the columns in the return contain valid data, and the data is presented in the prescribed format as illustrated below:-

- All social security numbers are reflected in the correct format. Example, 103258476 and not 103 258 476 nor 103-258-476
- All NRC numbers are captured in the correct format i.e. 156329/16/1

- Names are recorded in the applicable columns
- Date of birth is in the format DDMMCCYYExample:12 Feb 1980 should be captured as 12021980
- Gross wage reflected and corresponding employee and employer shares.

Please refer to page 6 for the detailed monthly returns format.

Please Note: Payment for contributions will not be accepted if the monthly return has not been filed electronically using the eNAPSA Portal and the applicable penalty will be applied if the rejected remittance is resubmitted after the due date.

HOW TO SUBMIT AND PAY FOR EMPLOYEES MONTHLY CONTRIBUTIONS

Step 1 – Contact your Bank to activate your bank account for NAPSA online payments.

Step 2 – Visit the eNAPSA website page - www.napsa.co.zm, and upload your monthly return(s) then go to the **Payments** tab, enter payment amount and click on the **Proceed to Pay** button.

Step 3 – Select the appropriate **Payment Method** (as per guidance below to avoid your transaction being rejected by the bank) and complete the payment approval process as defined in your bank's online payment system.

The screenshot shows the NAPSA eNAPSA portal interface. At the top, there is a navigation bar with the NAPSA logo and the text 'NATIONAL PENSION SCHEME AUTHORITY (Guaranteed Social Security)'. Below the navigation bar, there are tabs for 'New Payment', 'Statement', and 'History'. The main content area is titled 'Step 3: Select Payment Method' and contains five payment options:

- Net Banking:** This option will re-direct you to your Online Banking Portal for Payment. Select this option if you Bank with: Access Bank, AtlasMara, Cavmont, First Capital, FNB, Indo-Zambia, InvestTrust, Stanbic, UBA, ZANACO. Button: **Select Your Bank**
- Bank Over The Counter (OTC):** This option will generate a document that can be used for payment. Select this option if you Bank with: Access Bank, Barclays Bank, CitBank, EcoBank, Standard Chartered Bank. Button: **Pay Via Bank OTC**
- Mobile Money:** This option will start payment process through mobile money. Select this option if you will pay with: MTN Mobile Money. Button: **Pay Via Mobile Money**
- Credit/Debit Card:** This option will re-direct to Online Payment Gateway. Select this option if you will use your Credit/Debit Card powered by: VISA, Master Card or American Express. Button: **Pay Via Credit/Debit Card**
- NAPSA Office:** This option will generate a document that can be used for payment from NAPSA offices ONLY. Select this option if you will pay at NAPSA. Button: **Pay Via NAPSA OTC**

At the bottom left, there are 'Back' and 'Cancel' buttons.

Employers whose banks are not listed above can still pay over-the-counter at **Access Bank, Barclays Bank and Eco Bank** in which case they must select the “Pay from Another Payment Provider” Payment Method.

NAPSA E-CHANNELS

NAPSA has developed various e-channels that members of the scheme can use to access information at their convenience:

eNAPSA

Web based Employer and Member portal that members and employers can use to access a wide range of services that includes:

Member Portal

MONTHLY RETURN FORMAT

Field Name	Type	Size	Description
Employer Account Number	Number	7	The Account number given to the employer by NAPSA (ZNPf). This field is MANDATORY
Year	Number	4	The year to which the return pertains (CCYY). This field is MANDATORY
Month	Number	2	The month to which the return pertains (MM). This field is MANDATORY
Social Security Number	Variable Character	14 (max)	The social security number Of the employee issued by NAPSA. This field is MANDATORY
National Registration Card Number	Character	14 (max)	Format should be 999999/99/9. This field is MANDATORY
Surname	Variable Character	100 (max)	This field is MANDATORY
First Name	Variable Character	100 (max)	This field is MANDATORY
Other Name(s)	Variable Character	100 (max)	This field is OPTIONAL
Date of Birth	Number	8	To be provided in the format DDMMCCYY. This field is MANDATORY
Salary	Number	20,2	This is the earning to which a NAPSA Contribution applies and is MANDATORY
Employee contribution Amount	Number	20,2	This field is MANDATORY
Employee contribution Amount	Number	20,2	This field is MANDATORY
Activity Indicator	Character	1	This field is MANDATORY and should only contain the letter 'I'.

- Check contributions account balance
- Download full contribution statement
- Check member beneficiary details
- Report online any anomalies noted on member account
- Track claims
- NAPSA calculator

Employer Portal

- Register new employees with the scheme.
- File/upload monthly returns and generate a Returns Submission Form (eNAPSA Payment Registration Form).
- Pay for employees' contributions
- Download member contribution statements for all employees on the employer account.
- Check members with provisional numbers on employer account
- Check cancelled cheques/receipts if any

Members and employers must thus sign up for eNAPSA service by logging on to www.napsa.co.zm

NAPSA Mobile App

Search for NAPSA on Google play store, install it on gadget (phone, tablet, etc.) and access a range of options from checking member statement balance, getting full member statement, and viewing beneficiary details at your convenience.

NAPSA Mobile *677#

1. Dial *677# on your phone and then press ok/yes
2. Activate your account by following the validation instructions
3. On the sub menu, select:
 - a. For contributions to view contributions member statement, account balance and member beneficiary details.
 - b. For benefits to track a logged in benefit claim
 - c. To leave feedback for any anomalies noticed on the member account.
 - d. For our locations to track the nearest NAPSA office from the member's present position.

FREQUENTLY ASKED QUESTIONS

Is it obligatory to become a member of NAPSA?

NAPSA is a compulsory scheme for all workers in the country except for those exempted under the NPS Act.

What is the benefit of making contributions to NAPSA?

NAPSA helps in preventing workers from becoming destitute when they can longer work due to old age (retirement), death or invalidity and hence not entitled to receive employment related monthly income by replacing part or the entire lost income with a monthly pension. Contributions to NAPSA therefore, allow a worker to earn the rights to a pension. If contributions are not made, a worker's entitlement to any of the benefits provided by NAPSA can not be guaranteed.

What does NAPSA do with the money that it collects?

In order to pay a decent benefit, NAPSA invests the funds that it collects in accordance with the investments guidelines. NAPSA invests in a diversified portfolio of listed equities, real estate, corporate bonds, Government bonds, Treasury bills, cash and cash equivalents.

Does NAPSA offer loans to its members against their contributed funds?

NAPSA does not offer loans directly to its members. However, NAPSA wholesales capital to commercial banks thereby providing the needed liquidity for onward lending.

Can one contribute to NAPSA if they are not in formal employment?

Yes, even those in the informal sector employment should contribute to NAPSA. This therefore means that domestic workers and other informal sector players should also be registered.

In the case of self-employed workers, they can register themselves as both an employer and employee and be able to contribute for oneself.

What happens when the employer is not remitting contributions; can the employees be paid their NAPSA benefits?

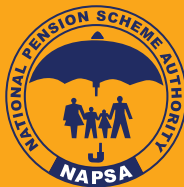
Yes, employees whose employers had defaulted are eventually paid their benefits. However, this will depend on the employer remitting the outstanding contributions

Are foreigner employees also required to contribute to NAPSA?

Yes, foreigners working in Zambia are also required to register as members and contribute to the Scheme. Only foreigners accorded diplomatic status are exempt

What does NAPSA do with defaulting employers?

NAPSA is mandated by the NPS Act to prosecute all defaulting employers.



Be smart, secure your future

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