



# ABOUT NAPSA



Be smart, secure your future

## **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"

## CORPORATE GOVERNANCE

The Scheme is administered by a tripartite Authority – The Board - composed of members drawn from Government, employees and employers' representatives as well as other independent entities as prescribed by the Act.

The Board is appointed by the Minister of Labour whose role involves providing administrative oversight and policy direction.

The Board is entrusted with the fiduciary responsibility of investing and protecting members' funds.

The Director General is appointed by the Minister of Labour and is the Chief Executive of the Authority. He is responsible for the day to day administration of the Authority.

## DIRECTORATES

The operations of the Authority are overseen by the Director General who is the Chief Executive Officer and he is assisted by Directors and Heads of functions.

The following Directorates and Departments carry out the day to day functions of the Authority.

- **Directorate of Strategy and Business Performance**

The Directorate champions change management in the Authority to support enhanced performance and focus on the vision, mission and core values. It ensures that all the resources of the Authority are aligned and focused on the attainment of corporate objectives.

- **Contributions and Benefits**

This Directorate is responsible for registration of members and employers, collection of contributions and payment of benefits.

As at 31 December 2018, the Authority had 22,199 active employers with 810,408 members. The total number of pensioners on payroll stood at 15,471. The Average compliance rate stood at 81%.

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

NAPSA has a mandate to provide social security coverage to all eligible employees in Zambia, including those in the informal sector.

Since commencement of operations in February 2000, NAPSA has largely focused on the formal sector. However, this sector constitutes only 16 percent of the total employed population of 5.8 million people (Zambia Labour Force Survey Report, 2014). The remaining 84 percent is made up of employees from the informal sector.

In line with the Authority's mandate and government's policy on poverty alleviation through social protection, 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, traders and small-scale farmers among others.

NAPSA has since established a Project Unit called Extension of Coverage to the Informal Sector to focus on development of strategies and initiatives aimed at extending social security coverage to the informal sector. The Authority has also developed ICT products tailored to the informal sector.

- **Investments**

The Investments Directorate ensures that funds that are not immediately required to settle pension obligations are invested in various portfolios in order to add value and make a positive return so that the Authority can pay meaningful benefits when they fall due and also to ensure that the fund is actuarially sound.

The National Pension Scheme Act no. 40 of 1996 of the Laws of Zambia provides for investment of funds of the scheme not immediately required to meet any charges or obligations in a range of assets.

The following are the allowable asset classes as per Investments Guidelines Statutory Instrument no. 19 of 2017 :

- Government Securities
- Listed equities
- Bank deposits
- Listed corporate bonds
- Non - listed shares
- Infrastructure
- Collective Investment schemes
- Viable socially and economically targeted investments
- Direct real estate
- Listed equities including underwriting
- Special Purpose Vehicles, that is strategic companies created by the Authority itself
- Underwriting of transactions
- Green field investments

Each asset class must meet minimum criteria that has been set in the statement of investment policy and must be in line with investments strategy, investment guidelines, other authority policies relating to investment activities and must meet international best practices that guide the investments of pension funds.

The Authority has diversified its investment portfolio by having investments in almost all the asset classes to varying degrees.

### **Directorates of Projects**

The Directorate is mandated to enhance the prudent implementation of the Authority's real estate projects within agreed time, budget and quality. The Directorate provides overall supervision of the projects.

### **Legal & Secretarial Services**

The Legal Directorate provides legal advisory services to the Authority and ensures compliance with government standards and regulations. It is responsible for dispute resolution and also provides secretarial services to the Board of Trustees.

### **Human Resources & Administration**

The Human Resources Directorate employs, develops and ensures that the Authority has adequate staff to execute its mandate. It provides policy direction on all matters relating to human resource management. It also provides support in terms of security, transport, logistics and office services.

### **Finance**


Finance Directorate facilitates effective resource management and ensures the Authority funds are utilized in a prudent manner. It is responsible for overall budget management.

### **Information Technology**

The Directorate provides information technology systems and solutions to facilitate the efficient operations of the Authority. Riding on robust IT infrastructure, the Authority has integrated its systems to ensure that most of its operations are done online, thereby reducing turnaround time and contributing to environmental sustainability through reduced carbon footprint.

### **Special Projects - Enterprise Resource Planning (ERP)**

The Authority has implemented the Enterprise Resource Planning (ERP) Project whose purpose is to integrate all functions in the Authority (integrated database) with the following benefits:

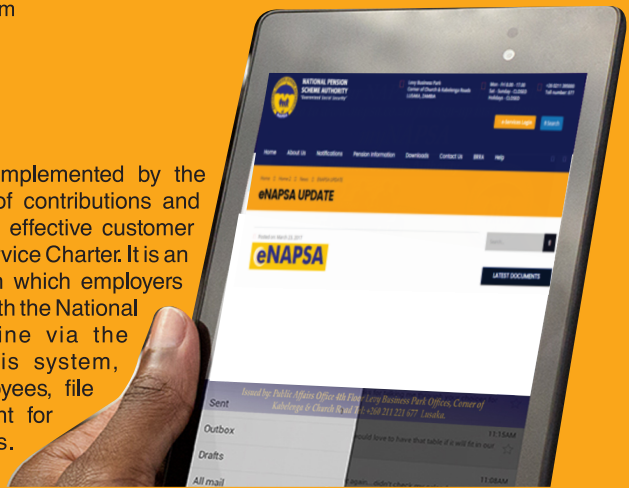
- Integration of various systems and member information.
  - Remove misinformation and duplication.
  - Real time reflection of information
  - Improve efficiency and communication.
  - Reduce carbon footprint
- 

- Issue payslip via the system
- Employee self-service

### The eNAPSA

The eNAPSA platform has been implemented by the Authority to improve management of contributions and benefits information and to promote effective customer services in line with our Customer Service Charter. It is an integrated web-based portal through which employers and employees are able to transact with the National Pension Scheme Authority online via the authority's website. Through this system, employers can register their employees, file monthly returns and make payment for statutory NAPSA contributions. Employees on the other hand can use eNAPSA to check their details as

well as keep track of their contributions and benefits information, the system can be accessed from any web-enabled gadget, including laptops, computers, tablets or smart phones



### Audit and Risk

The Audit and Risk Directorate provides independent objective assurance to the Authority in its various transactions. It assists the Authority to achieve its objectives by evaluating and improving the effectiveness of the risk management, control and governance processes.

### Procurement Department

The department is responsible for procuring all goods and services in line with the stipulated procurement guidelines and regulations.

It provides secretarial services to the Management Procurement Committee which is the highest decision making body for all Authority procurements.

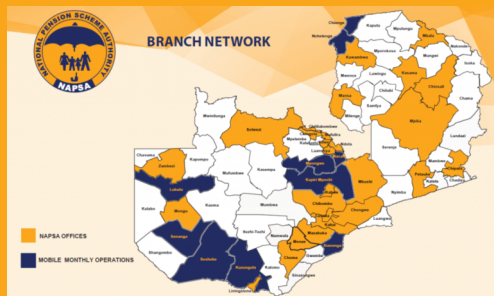
It also provides advisory services to the Authority on matters of procurement.

### Corporate Affairs

The Corporate Affairs Department is the strategic corporate communication hub of the Authority. It is responsible for the formulation and implementation of strategies to promote the public image of the Authority through well-coordinated corporate communication activities. The department assists in the creation and sustenance of positive relations with customers, the media, the community and all relevant stakeholders.

The Corporate Affairs Department is also responsible for events management and corporate branding.

The Department is equally tasked to plan, manage and promote the Authority's Corporate Social Responsibility programmes.



### Main Features of NAPSA

- Membership to NAPSA is compulsory for all regularly employed persons including those joining the Civil Service and Local Authorities after 1 February 2000.
- The Scheme is financed by both the employer and employee contributions at the rate of 5% each subject to a ceiling

determined annually using National Average Earnings (NAE).

- (c) The Scheme is earnings related for the purpose of both contributions and benefits.
- (d) Pensions are reviewed annually and are adjusted in line with changes in the National Average Earnings (NAE).
- (e) The statutory ceiling is pegged at four times the National Average Earnings (NAE)
- (f) Pensioners collect their monthly pensions from designated banks or other administrative facilities are arranged by the Authority for convenience of pensioners.
- (g) The Scheme is contributory, that is to say that it is financed by contributions from employers and employees.

## **BENEFITS UNDER NAPSA**

NAPSA pays out three principal benefits – retirement, invalidity and survivors<sup>1</sup>.

### **(a) RETIREMENT BENEFIT**

Following the recent assent of the National Pension Scheme Amendment Act No.7 of 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.

### **(b) 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.

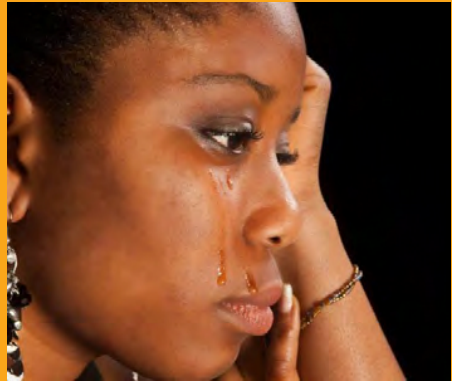


### (c) SURVIVOR'S BENEFITS

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.

### (d) 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.



### CORPORATE SOCIAL RESPONSIBILITY

As a good corporate citizen, NAPSA recognises the importance of Corporate Social Responsibility (CSR) as a mechanism for supporting and helping to uplift the local communities in which it operates. NAPSA uses CSR as a social investment tool to boost social activities that stimulate economic growth, reduce poverty, and foster inclusive and sustainable socio-economic development. NAPSA endeavours to support initiatives that have potential to foster both economic and social development in the short and long term through appropriate empowerment programmes.



The Minister of Labour and Social Security, Hon. Joyce Nonde Simukoko, MP and NAPSA Director General Mr. Yorad Kachinda handing over some of the items donated by NAPSA to Matero Level 1 Hospital.

### AWARDS AND RECOGNITION

NAPSA has won various awards in different categories at both local and International levels as listed below:

- Best Public Service Delivery Organisation of the year 2018 (ZIM Awards)
- 2nd position in the Best Public Relations Campaign - ZAPRA 2019
- 1st Overall Exhibitor - 2018 Kitwe Show
- 1<sup>st</sup> Prize Social Security Schemes - 2018 ZITF
- 1<sup>st</sup> Prize Non- Banking Financial Institution - 2018 Lusaka Show
- 1<sup>st</sup> Prize Public Service Industry - 2018 Lusaka Show
- Best Pension Fund Exhibit - 2018 Lusaka Show
- 1st Prize - Economic Diversification and Job Creation (Public Service Day)
- 3rd Prize Winner - 2019 Labour Day Display
- Best Corporate Social Responsibility - Service 2017 Award (ZAPRA)
- Best Public Relations Campaign of the year 2017 Award (ZAPRA)
- 2017 Most Customer Focussed Organisation in Public Sector (Zambia Institute for Customer Management)
- Customer Service Innovation of the Year 2017 (Zambia Institute for Customer Management)
- First prize in the category of Pension and Investments – 2017 Kitwe Show
- 2<sup>nd</sup> overall best exhibitor – 2017 Kitwe Show
- 2<sup>nd</sup> place best stand design – 2016 Kitwe Show
- 2<sup>nd</sup> place Overall Stand Winners – 2016 Kitwe Show



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## CONTACT DETAILS

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