Ministry of Labour and Social Security

Portability of Pension Benefits in Zambia

2014
Outline

- INTRODUCTION
- LEGAL FRAMEWORK ON PORTABILITY OF PENSION BENEFITS
- BASIC STATISTICS ON THE ECONOMY AND MIGRATION IN ZAMBIA
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- COMMON PAYMENT MODES
- AN OVERVIEW OF INTERNATIONAL PENSION BENEFIT REMITTANCES
- CHALLENGES / CONCLUSION
Introduction

- Portability of pension benefits in Zambia - An emerging thematic discussion;
- Local and Regional Portability
- Inter- Ministerial Meetings and Conferences (e.g. Mission to Malawi)
- Migration of labour to the Copperbelt and Local Authorities;
Legal Framework

- National Pension Scheme Act No. 40 of 1996 (No specific provision for portability);
- Public Service Pensions Fund Act No. 35 of 1996 (No specific provision for portability);
- Workers Compensation Act No. 10 of 1999 (Part VI, Article 68- pensioners and dependants);
- Local Authorities Superannuation Fund Cap 284 of the Laws of Zambia (No specific provision on portability)
- Pension Scheme Regulation Act No. 27 of 2005 (portability is provided for in scheme rules e.g. Mukuba Pension Trust)
BASIC STATISTICS ON THE ECONOMY AND MIGRATION IN ZAMBIA

- Population (2013): 14.5 million
- Area: 752,612 km sq.
- Languages: English
- Currency: Zambian Kwacha (ZMK)
- GDP per Capita PPP (2013): USD 3,181
- HDI Rank (2013): 141 of 187
- Remittances (2013 estimate): USD 73 million
- Net Migration Rate (2010-2015): -0.6 migrants/1,000 population
- Immigrants (2013): 0.7%
- Women as a Percentage of Immigrants (2013): 49.5%
Pension Schemes with International Pensioners & Beneficiaries within SADC

<table>
<thead>
<tr>
<th>PENSION SCHEME</th>
<th>NO. OF FOREIGN-BASED PENSIONERS</th>
<th>COUNTRIES INVOLVED</th>
<th>AGGREGATE FIGURES PER ANNUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOCAL AUTHORITIES SUPERANNUATION FUND</td>
<td>16</td>
<td>TANZANIA, ZIMBABWE, MOZAMBIQUE &amp; MALAWI</td>
<td>K740 /US$118</td>
</tr>
<tr>
<td>NATIONAL PENSION SCHEME AUTHORITY</td>
<td>NIL</td>
<td>NIL</td>
<td>N/A</td>
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<tr>
<td>MUKUBA PENSION TRUSTEES</td>
<td>73</td>
<td>MALAWI, TANZANIA &amp; ZIMBABWE</td>
<td>K7,445 /US$1,200</td>
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<tr>
<td>PUBLIC SERVICE PENSIONS FUND</td>
<td>134</td>
<td>MALAWI</td>
<td>K369, 840 /US$59,174</td>
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<tr>
<td>WORKERS COMPENSATION FUND CONTROL BOARD</td>
<td>319</td>
<td>ZIMBABWE, BOTSWANA, MALAWI, TANZANIA</td>
<td>K57,000 /US$ 9, 120</td>
</tr>
</tbody>
</table>

Note: US$1=K6,25
COMMON PAYMENT MODES

- INTER- BANK TRANSFERS;
- AGENTS (E.G. CROWN AGENTS);
- NEAREST POST OFFICE/BANK;
- EMBASSIES AND OTHER DIPLOMATIC CHANNELS;
- RECIPROCAL ARRANGEMENTS/ MOUs
KEY CHALLENGES

► HIGH TRANSACTION COSTS E.G. US$25 FOR A BENEFIT WORTH US$5;

► DIFFICULTY IN VERIFICATION OF INFORMATION ON CLAIMS, PENSIONERS AND BENEFICIARIES E.G. LIFE CERTIFICATES;

► LACK OF POLICY /LEGAL FRAMEWORK AT NATIONAL LEVEL;
Conclusion

- PORTABILITY - AN ON-GOING THEMATIC DISCUSSION
- INNOVATIVE SOLUTIONS
- REGIONAL FRAMEWORK E.G. SADC CODE ON SOCIAL SECURITY;
- DIPLOMATIC CHANNELS;
- RECIPROCAL ARRANGEMENTS;
- ELECTRONIC PAYMENTS;
THE END

THANK YOU