



WHAT YOU NEED TO KNOW ABOUT RETIREMENT PLANNING

Introduction

The Insurance and Pensions Commission (IPEC) joins the rest of the world in commemorating International Pensions Awareness Day, which is observed every year on 15 September. The commemoration raises awareness on the importance of retirement planning in promoting post-retirement financial security.

What is retirement planning?

It is planning today, during your working days, for life after retirement so that you can be able to meet your financial and social needs. Setting of your retirement goals, estimating the amount of money you will need during your retirement, and investing to grow your retirement savings are all part of retirement planning. Having a retirement plan helps you to achieve the lifestyle you want in later life.

What are the benefits of having a retirement plan?

Financial security

Retirement planning gives you financial stability during your retirement, which enables you to meet your financial obligations such as food, medical bills and other unexpected costs that may arise.

Peace of mind

Having a retirement plan gives you peace of mind knowing that your future is secure. You will not worry about how you are going to meet your financial needs as your retirement plan will provide a sense of security.

Independence and freedom

By having a retirement plan, you will have financial independence, which will help you make choices based on your needs rather than financial constraints. When you are financially independent, you will not depend on your family or the Government for social security. Retirement planning promotes self-sufficiency and allows you to maintain your dignity and independence.

Enables you to retire and rest

Without a retirement plan, some people continue to work beyond their retirement age to raise income that will enable them to meet their daily financial and social needs.

Retirement Planning Options

There are various means through which you can plan for your retirement, and these include: pension savings, investment on the stock exchange, starting or investing in a viable business, investing in properties for rental income, etc.

Types of pension schemes under IPEC's regulation

Pension fund

- Employer-sponsored group pension fund and may receive contributions from both the employer and the employee.
- Contributions and investments are made according to the rules of the fund with the returns from investments adding to members' pension pots.
- Benefits are paid according to the rules of the fund, e.g early retirement, retirement on medical grounds, retrenchment, normal retirement, and late retirement.

Provident Fund

- Employer-sponsored group fund.
- May receive both employer and employee contributions.
- Contributions and investments according to the rules of the fund.
- Benefits are paid as a once-off lumpsum.

Retirement Annuity

- Operated as an insured fund out of which benefits are paid as periodic payments or/ lumpsums.
- Benefits secured through once-off contribution in line with an insurance policy.

Personal Pension Plans

- Operated as defined contribution funds.
- Affiliation to an employer is not a requirement.
- Enables individual to choose the provider and make arrangements for your contributions to be paid in line with fund rules

Micropensions

- Can be employer or individual-sponsored, targeting members with low and irregular incomes such as non-standard workers.
- Contribution amounts are of a micro nature and payment of contributions is flexible.
- Early access to benefits is permitted.

What you need to do

To secure your retirement, start your retirement planning early, seek professional advice if needed, and regularly review and adjust your plan as circumstances change. **If you have not started your retirement planning, start today!**

Reporting Complaints

If you are a pension scheme member and feel that you have been unfairly treated by a pension fund/administrator that IPEC regulates, you can report your complaint to IPEC for free, either in person or via email/WhatsApp using the details below:

Complaints Handling Office (Harare)
Kingstons House, Cnr L Takawira/Kwame
Nkrumah Ave, Harare
Telephone: (0242) 443358/61/22

Complaints Handling Office (Bulawayo)
Office No 18, Bulawayo Centre, Cnr 9th Avenue/
Joshua Nkomo St, Bulawayo
Telephone: (0292) 261822

Email: complaints@ipec.co.zw
WhatsApp: 0772154281