

**Insurance and Pensions
Commission**



Circular 1 of 2022

12 January 2022

To: **All Pension Fund Administrators**

All Registered Pension and Provident Funds

All Registered Life Insurers

CC: **Zimbabwe Association of Pension Funds (ZAPF)**

Actuarial Society of Zimbabwe (ASZ)

Life Offices Association (LOA)

**2019 COMPENSATION: CRITERION FOR DISTRIBUTING THE USD400,000 KUVIMBA
MINING HOUSE DIVIDEND**

1. Reference is made to the above matter.
2. Pursuant to the 2019 currency reforms which inadvertently resulted in the loss of pension values, Government availed US\$75 million worth of shareholding in Kuvimba Mining House as compensation to the pensions industry.
3. The first dividend from this investment, US\$400,000, was declared in June 2021 and IPEC was mandated to administer the same, in order to compensate the affected private occupational pensioners.
4. To ensure the funds distributed to the pensioners were meaningful, IPEC adopted a means test approach as per some recommendations from the industry. This means tested approach considered pensioners who earned an annual pension **below ZWL\$1,000** as at 31 December 2020 for participation in the first tranche dividend distribution.

5. Other cohorts of pensioners will participate in future dividend distributions, as and when the dividend is declared.
6. To this end, IPEC requests pension fund administrators to advise their members inquiring on the criterion adopted of the same.
7. Additionally, IPEC wishes to advise its stakeholders that the list of eligible pensioners was published in the local newspapers on Monday 10 January 2022, and subsequent announcements publicised in the various local radio stations, in a bid to notify the affected pensioners. The list is also available on the IPEC website: ipec.co.zw.
8. Notwithstanding the progress made to date, the Commission notes with concern the lack of sufficient Know Your Customer (KYC) information provided by some pension fund administrators, in response to our data call exercise for 2019 Compensation.
9. In particular, information relating to national IDs, physical addresses and phone numbers, which is pertinent to the operational modalities of distributing the dividend, was inaccurate or not provided in other instances. As such pension fund administrators are encouraged to update their KYC records frequently and accurately.
10. All requests for clarifications on the 2019 Compensation should be directed to enquiry@ipec.co.zw and cc: smanyika@ipec.co.zw.
11. Please be guided accordingly.

Yours Sincerely,



Samantha Nhende

ACTING COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS