

August 9, 2007

Circular number 9 of 2007

ZIMBABWE ASSOCIATION OF PENSION FUNDS (ZAPF)

LIFE OFFICES ASSOCIATION OF ZIMBABWE (LOA)

ZIMBABWE INSURANCE BROKERS ASSOCIATION (ZIBA)

PENSION FUND ADMINISTRATORS

SELF ADMINISTERED PENSION FUNDS

GUIDELINES TO PAYMENT OF INTEREST OR BONUSES TO EXITING MEMBERS

It has come to the Commission's notice that some industry players may be underpaying interest or bonuses to members who retire from a pension fund in contravention of Statutory Instrument 243 of 2006.

Section 10 of Statutory Instrument 243 of 2006 provides for interest that would have been earned by the Fund to be paid to a person who ceases to be a member of that fund.

If a fund has paid the member an interim bonus, and the bonus declared is more than the interim, the fund should recalculate and pay the member his outstanding entitlement in full. This is not only in compliance with the law but it is also fair to the member.

Please be guided accordingly and comply as per clarification given above.

M. S. Mpofu
COMMISSIONER OF INSURANCE PENSION AND PROVIDENT FUNDS