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INSURANCE & PENSIONS
COMMISSION
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P.O. Box HR 6773
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D/45/23

Circular Number 2 of 2007

To:

ZIMBABWE ASSOCIATION OF PENSION FUNDS (ZAPF)

LIFE OFFICES ASSOCIATION OF ZIMBABWE (LOA)

ZIMBABWE INSURANCE BROKERS ASSOCIATION (ZIBA)

PENSION FUND ADMINISTRATORS

SELF ADMINISTERED PENSION FUNDS

FULL COMMUTATION REQUIREMENTS

The request to commute in full pension benefits is intended for a member of a pension fund who has been retrenched while in the process of either building a house or purchasing a residential stand. The Commissioner of Insurance Pension and Provident Funds has used her discretionary powers to allow full commutation only in such cases.

The Commission has of late been receiving requests for full commutation from pensioners desperate for funds for medical bills and drugs. The Commission has acknowledged the situations as very desperate and has seen the need to consider the requests in order to help the concerned pensioners to mitigate the costs of the drugs.

The matter should therefore be brought to the attention of the Board of Trustees of the pension fund; with the following supporting documentation in the case of commutation for assistance in medical bills and drugs;

- a) proof of retirement from employment
- b) proof of illness in the form of a doctors letter advising the condition and amount spent on prescription reviews
- c) amount the member received as a lump sum payment , how this amount was utilized (supporting documents to be submitted)
- d) confirmation that medical aid if any, does not include the cost of drugs.

The Board of Trustees should then deliberate on it and forward the request together with its recommendations to the pension fund administrator. If the member's monthly pension is below the minimum amount allowable, the matter should be concluded between the trustees and the administrator. The administrator will forward the request to the Commission together with documentary evidence in support of the request, if the monthly pension is above the limit.

I hope the above clarifies the issue, but should you require further information please do not hesitate to contact the Commission.

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COMMISSIONER OF INSURANCE PENSION AND PROVIDENT FUNDS

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