

Administrative Functions

- Ensure that their pension funds are registered and that any amendments to the rules are also registered with the Commission;
- ensure that contributions are received and invested in appropriate assets;
- make arrangements for paying the benefits;
- ensure that records are kept up to date;
- preserve or transfer benefits of exiting members; and
- Should also play a communication role by providing information to members, regulator, auditors and actuaries.

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Disclaimer:

This pamphlet is intended to provide you general information only and is not exhaustive. However, if you need further clarifications, do not hesitate to contact the Regulator on the contacts above.

PENSION TRUSTEE

Who is a trustee?

- A trustee is a person appointed to manage the affairs, property, assets, or business on behalf of another person(s)
- A trustee is a custodian
- Trusteeship- stewardship
- Pension Fund trustees are appointed or elected to manage a fund on behalf of and for the benefit of fund members
- A trustee is equivalent to a company director.

Qualities of a Trustee

- Integrity, honest and trustworthy
- Fit and proper in that they should:
 - be properly qualified with knowledge on pension fund legislation, rules of the fund, administration of pension fund in terms of financials, investments of assets and risk management;
 - be without a criminal record;
 - have clean financial records with no unsettled debt where courts have entered judgements against them; and
 - acquire an IPEC - approved basic course in trusteeship within six months after date of appointment.

Appointment of Trustees

- The law provides that a pension fund should have a minimum of 3 and maximum of 9- member board of trustees
- At least half of these trustees should be elected by the members of the fund and the other half by the sponsoring employer.
- The procedure for the election and appointment of trustees must be provided in the rules of the pension fund

Responsibilities of Trustees

- Take reasonable steps to protect the interests of members of the fund, especially in the event of:
 - the amalgamation of or transfer of any business; or
 - the division of the fund; or



- the withdrawal of a participating employer or the termination or
- reduction of contributions by a participating employer
- act honestly and in good faith to the best interest of the fund;
- exercise due care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances
- avoid conflict of interest;
- act impartially towards all members; and
- supervise those to whom functions have been properly delegated.

Statutory Powers and Duties

The law provides that trustees should:

- ensure that proper control systems are put in place to ensure that the fund complies with the Act and any other law in terms of its rules and administration;
- ensure that members of the fund are adequately informed of their rights, benefits and duties in terms of the rules of the fund;
- take all reasonable steps to ensure that contributions to the fund are paid when they are due;
- where appropriate, obtain expert advice on matters on which the trustees lack expertise;

- formulate an investment policy to further the objectives and purposes of the fund; and
- ensure that records of all proceedings of the board of trustees and of the business of the fund are kept. This includes membership data.

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